

FEDERAL REGISTER

VOLUME 14 1934 NUMBER 208

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TITLE 3—THE PRESIDENT PROCLAMATION 2860

ESTABLISHING THE EFFIGY MOUNDS
NATIONAL MONUMENT—IOWA
BY THE PRESIDENT OF THE UNITED STATES
OF AMERICA
A PROCLAMATION

WHEREAS the earth mounds in the northeastern part of the State of Iowa known as the Effigy Mounds are of great scientific interest because of the variety of their forms, which include animal effigy, bird effigy, conical, and linear types, illustrative of a significant phase of the mound-building culture of the prehistoric American Indians; and

WHEREAS the Advisory Board on National Parks, Historic Sites, Buildings, and Monuments at its meeting held October 28–30, 1941, declared the Effigy Mounds to be of national scientific importance; and

WHEREAS the State of Iowa has acquired title to 1,204.39 acres of land containing these unusual objects, and has conveyed 1,000 acres thereof to the United States as a donation for national-monument purposes, such conveyance having been accepted on behalf of the United States by the Acting Director of the National Park Service on August 31, 1949; and

WHEREAS it is contemplated that the State of Iowa will convey the remaining 204.39 acres of such land to the United States for national-monument purposes in the near future; and

WHEREAS it appears that it would be in the public interest to set aside and reserve the said land as a national monument as hereinafter indicated:

NOW, THEREFORE, I, HARRY S. TRUMAN, President of the United States of America, under and by virtue of the authority vested in me by section 2 of the act of June 8, 1906, 34 Stat. 225 (16 U. S. C. 431), do proclaim that, subject to all valid existing rights, the lands within the following-described boundaries and shown on the diagram hereto attached and forming a part hereof which belong to the United States are hereby reserved and established as a national monument, to be known as the Effigy Mounds National Monument; and that the lands within such boundaries which do not now

belong to the United States shall become a part of such monument upon the acquisition of title thereto by the United States:

FIFTH PRINCIPAL MERIDIAN

T. 96 N., R. 3 W., Allamakee County.
T. 95 N., R. 3 W., Clayton County.

Beginning at the point where the West line of the Right-of-Way of the Chicago, Milwaukee, and St. Paul Railroad intersects the North line of Sec. 27 of said T. 96 N.;

Thence southerly along said West line of the Railroad Right-of-Way through said Sec. 27 and part of Sec. 34 of said T. 96 N. to the North line of the Right-of-Way of Iowa Primary Highway No. 13 in Government Lot 3 of said Sec. 34;

Thence westerly along said North line of the Highway Right-of-Way through said Sec. 34 to the West line thereof;

Thence northerly along said Section line to the Southeast corner of the North Half of the Northeast Quarter of the Northeast Quarter ($N\frac{1}{4}NE\frac{1}{4}NE\frac{1}{4}$) of Sec. 33 of said T. 96 N.;

Thence westerly along the South line of said North Half of the Northeast Quarter of the Northeast Quarter ($N\frac{1}{4}NE\frac{1}{4}NE\frac{1}{4}$) to said North line of the Highway Right-of-Way;

Thence northerly along said North line of the Highway Right-of-Way to the North line of said Sec. 33;

Thence easterly along said section line to the Southwest corner of said Sec. 27;

Thence northerly along the West line of said Sec. 27, N. $0^{\circ} 07'$ E., 594.27 ft.;

Thence N. $68^{\circ} 54'$ E., 186.28 ft.;

Thence N. $58^{\circ} 08'$ E., 135.01 ft.;

Thence S. $77^{\circ} 11'$ E., 77.79 ft.;

Thence N. $62^{\circ} 15'$ E., 218.66 ft.;

Thence N. $57^{\circ} 14'$ E., 168.48 ft.;

Thence N. $62^{\circ} 34'$ E., 430.06 ft.;

Thence N. $50^{\circ} 06'$ E., 142.68 ft.;

Thence N. $24^{\circ} 30'$ E., 319.20 ft. to a point on the East line of the West Half of the Southwest Quarter ($W\frac{1}{2}SW\frac{1}{4}$) of said Sec. 27 and N. $0^{\circ} 16\frac{1}{2}'$ W., 1,477.65 ft. from the Southeast corner of said West Half of the Southwest Quarter ($W\frac{1}{2}SW\frac{1}{4}$);

Thence along said East line N. $0^{\circ} 16\frac{1}{2}'$ W., 947.40 ft.;

Thence N. $89^{\circ} 43\frac{1}{2}'$ E., 367.08 ft.;

Thence N. $0^{\circ} 16\frac{1}{2}'$ W., 445.00 ft.;

Thence S. $89^{\circ} 43\frac{1}{2}'$ W., 367.08 ft. to a point on the West line of the Southeast Quarter of the Northwest Quarter ($SE\frac{1}{4}NW\frac{1}{4}$) of said Sec. 27;

Thence northerly along the West line of the Southeast Quarter of the Northwest Quarter ($SE\frac{1}{4}NW\frac{1}{4}$) and Government Lot 1 of said Sec. 27 to the North line of Sec. 27;

Thence easterly along the North line of Sec. 27 to the point of beginning.

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FEDERAL REGISTER

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1949 Edition

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Title 25 (\$2.75)

Previously announced: Title 3, 1948 Supp. (\$2.75); Titles 4-5 (\$2.25); Title 6 (\$3.00); Title 7: Parts 1-201 (\$4.25); Parts 210-874 (\$2.75); Parts 900 to end (\$3.50); Title 8 (\$2.75); Title 9 (\$2.50); Titles 10-13 (\$2.25); Title 14: Parts 1-399 (\$3.50); Parts 400 to end (\$2.25); Title 15 (\$2.50); Title 16 (\$3.50); Title 17 (\$2.75); Title 18 (\$2.75); Title 19 (\$3.25); Title 20 (\$2.75); Title 21 (\$2.50); Titles 22-23 (\$2.25)

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Also, beginning at a point where the South line of the North Half (N $\frac{1}{2}$) of Government Lot 1 of Sec. 10 in said T. 95 N. intersects the West line of the Right-of-Way of Iowa Primary Highway No. 13;

Thence westerly along said South line of the North Half (N $\frac{1}{2}$) of Government Lot 1 to the West line thereof;

Thence northerly along said West line of Government Lot 1 to a point S. 0° 39 $\frac{1}{2}$ ' E., 50 ft. from the Northwest corner thereof;

Thence along a straight line to a point on the North line of said Sec. 10 and N. 86° 18 $\frac{1}{2}$ ' W., 150 ft. from said Northwest corner of Government Lot 1;

Thence westerly along the said North line of Sec. 10 to the Northwest corner thereof;

Thence northerly along the West line of Sec. 3 of said T. 95 N., to the Northwest corner thereof;

Thence westerly along the South line of Sec. 33 of said T. 95 N., to the Southwest corner of the East Half of the Southeast Quarter (E $\frac{1}{2}$ SE $\frac{1}{4}$) thereof;

Thence northerly along the West line of said East Half of the Southeast Quarter (E $\frac{1}{2}$ SE $\frac{1}{4}$) to the Southeast corner of the Northwest Quarter of the Southeast Quarter (NW $\frac{1}{4}$ SE $\frac{1}{4}$) of said Sec. 33;

Thence westerly along the South line of said Northwest Quarter of the Southeast Quarter (NW $\frac{1}{4}$ SE $\frac{1}{4}$) to the Southwest corner thereof;

Thence northerly along the West line of said Northwest Quarter of the Southeast Quarter (NW $\frac{1}{4}$ SE $\frac{1}{4}$) to the center of said Sec. 33;

Thence easterly along the Quarter (1/4) line of said Sec. 33 to the East Quarter (1/4) corner thereof;

Thence northerly along the West line of said Sec. 34 to the South line of the said Highway Right-of-Way;

Thence easterly and southerly along the South and West line of said Highway Right-of-Way through said Secs. 34, 3, and the North Half (N $\frac{1}{2}$) of Government Lot 1 of Sec. 10 to the point of beginning.

The small area in Lot 3, Sec. 34, T. 96 N., R. 3 W., lying south of the middle of Yellow River and between the Chicago, Milwaukee, and St. Paul Railroad Right-of-Way line and the east Right-of-Way line of the Iowa Primary Highway No. 13 is not intended to be included in this description.

The area as described contains in the aggregate 1,204.39 acres, more or less.

Warning is hereby expressly given to all unauthorized persons not to appropriate, injure, destroy, or remove any feature of this monument, and not to locate or settle upon any of the lands thereof.

The Director of the National Park Service, under the direction of the Secretary of the Interior, shall have the supervision, protection, management, and control of this monument as provided in the act of Congress entitled "An act to establish a National Park Service, and for other purposes," approved August 25, 1916, 39 Stat. 535 (16 U. S. C. 1-3), and acts supplementary thereto or amendatory thereof.

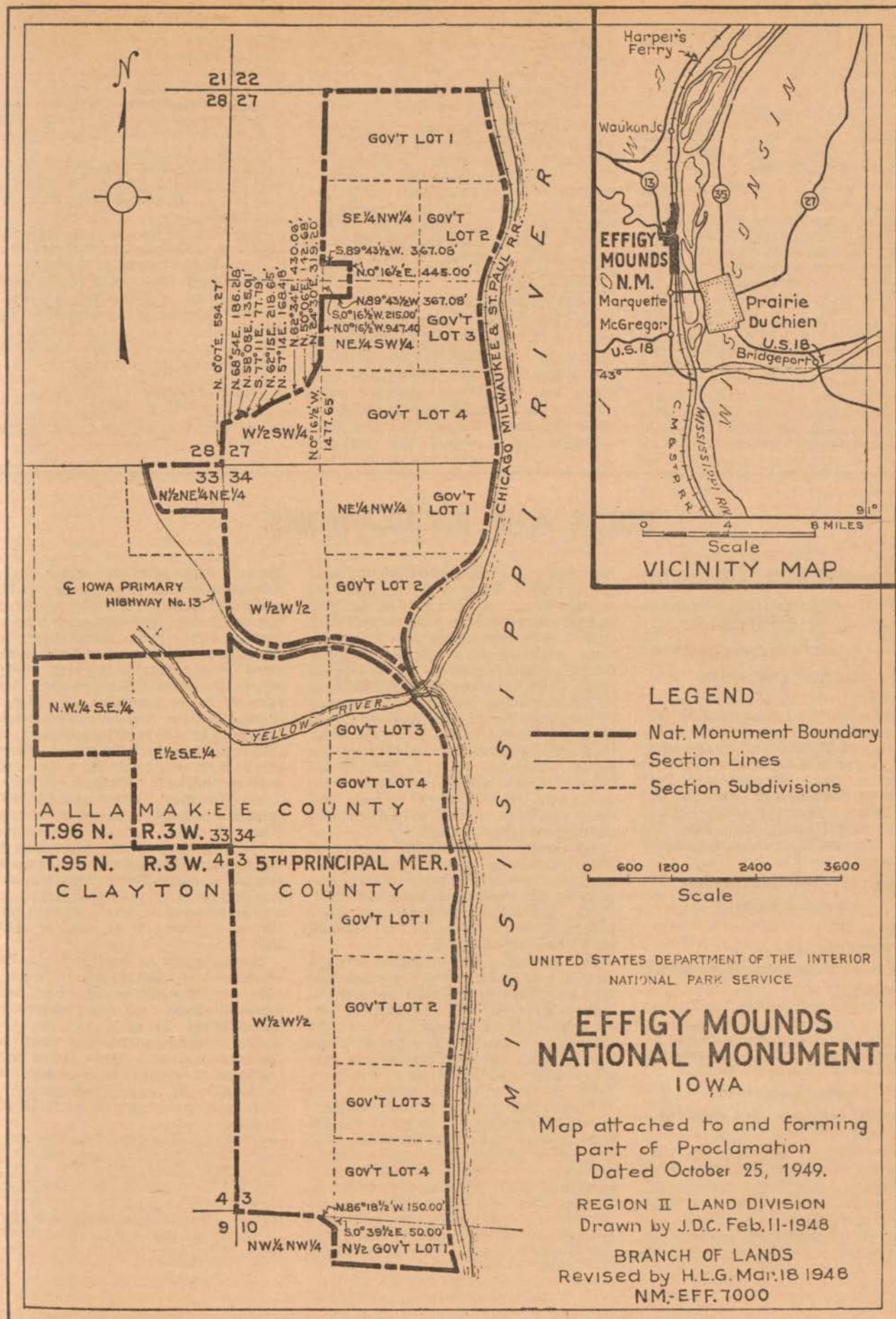
IN WITNESS WHEREOF I have hereunto set my hand and caused the seal of the United States to be affixed.

DONE at the City of Washington this 25th day of October in the year of our Lord nineteen hundred and [SEAL] forty-nine and of the Independence of the United States of America the one hundred and seventieth-fourth.

HARRY S. TRUMAN

By the President:

DEAN ACHESON,
Secretary of State.



THE PRESIDENT

PROCLAMATION 2861

PAKISTAN—SUSPENSION OF TONNAGE DUTIES
BY THE PRESIDENT OF THE UNITED STATES OF AMERICA
A PROCLAMATION

WHEREAS section 4228 of the Revised Statutes of the United States, as amended by the act of July 24, 1897, c. 13, 30 Stat. 214 (U. S. C., title 46, sec. 141), provides, in part, as follows:

Upon satisfactory proof being given to the President, by the government of any foreign nation, that no discriminating duties of tonnage or imposts are imposed or levied in the ports of such nation upon vessels wholly belonging to citizens of the United States, or upon the produce, manufactures, or merchandise imported in the same from the United States or from any foreign country, the President may issue his proclamation, declaring that the foreign discriminating duties of tonnage and impost within the United States are suspended and discontinued, so far as respects the vessels of such foreign nation, and the produce, manufactures, or merchandise imported into the

United States from such foreign nation, or from any other foreign country; the suspension to take effect from the time of such notification being given to the President, and to continue so long as the reciprocal exemption of vessels, belonging to citizens of the United States, and their cargoes, shall be continued, and no longer * * *;

AND WHEREAS satisfactory proof was received by me from the Government of Pakistan on September 10, 1949, that no discriminating duties of tonnage or imposts are imposed or levied in the ports of Pakistan upon vessels wholly belonging to citizens of the United States, or upon the produce, manufactures, or merchandise imported in such vessels, from the United States, or from any foreign country:

NOW, THEREFORE, I, Harry S. Truman, President of the United States of America, by virtue of the authority vested in me by the above-quoted statutory provisions, do hereby declare and proclaim that the foreign discriminating duties of tonnage and imposts within the United States are suspended and discontinued so far as respects the vessels of

Pakistan and the produce, manufactures, or merchandise imported in said vessels into the United States from Pakistan or from any other foreign country; the suspension to take effect from September 10, 1949, and to continue so long as the reciprocal exemption of vessels belonging to citizens of the United States and their cargoes shall be continued, and no longer.

IN TESTIMONY WHEREOF, I have hereunto set my hand and caused the seal of the United States of America to be affixed.

DONE at the City of Washington this 26th day of October, in the year of our

Lord nineteen hundred and [SEAL] forty-nine and of the Independence of the United States of America the one hundred and twenty-fourth.

HARRY S. TRUMAN

By the President:

DEAN ACHESON,
Secretary of State.

[F. R. Doc. 49-8707; Filed, Oct. 26, 1949; 12:00 m.]

RULES AND REGULATIONS

TITLE 6—AGRICULTURAL CREDIT

Chapter III—Farmers Home Administration, Department of Agriculture

Subchapter A—Farm Housing Loans and Grants

ADDITION OF SUBCHAPTER

Chapter III of Title 6 of the Code of Federal Regulations is amended by designating Subchapter A as "Farm Housing Loans and Grants" and by the addition of, under said Subchapter A, Part 301 entitled "Basic Regulations," Part 302 entitled "Applicants," Part 303 entitled "Farms," Part 304 entitled "Construction and Repair," and Part 305 entitled "Processing Loans and Grants," as follows:

PART 301—BASIC REGULATIONS

SUBPART A—GENERAL

Sec.
301.1 General.
301.2 Terms of loans.

SUBPART B—TYPES OF FINANCIAL ASSISTANCE

301.21 General.
301.22 Types of assistance.

AUTHORITY: §§ 301.1 to 301.22 issued under sec. 510 (g), 63 Stat. 438; 42 U. S. C. 1480 (g). Statutory provisions interpreted or applied are cited to text in parenthesis.

SUBPART A—GENERAL

DERIVATION: §§ 301.1 to 301.2 contained in FHA Instruction 401.11.

§ 301.1 General. (a) Pursuant to the Housing Act of 1949, the Farmers Home Administration may, under certain conditions, make loans to owners of farms in the United States, its territories, and possessions to enable them to construct, improve, alter, repair, or replace dwell-

ings and other farm buildings on their farms. Such loans will be made to provide owners of farms, their tenants, lessees, sharecroppers, and laborers with decent, safe, and sanitary living conditions and adequate farm buildings. Under certain conditions, loans may be made which provide that any deficiency in income during the first 5 years may be compensated for by limited credits on the note. Loans may also be made for the purposes of enlarging and improving farms, where necessary, to provide additional income sufficient to support decent, safe, and sanitary housing and other buildings and to encourage adequate family-size farms.

(1) Subject to conditions varying by states, purchase contract holders may qualify as owners of farms for the purposes of the Farm Housing program.

(2) Homestead entrymen prior to a patent on their farms will not qualify for Farm Housing loans.

(b) Assistance may be extended in the form of a loan, a grant, or a combination loan and grant to an owner-occupant of a farm when (1) minor repairs or improvements must be made to the farm dwelling he occupies in order to make such dwelling safe and sanitary and remove hazards to the health of the occupant, his family, or the community; or (2) minor repairs must be made to essential farm buildings in order to remove hazards and make such buildings safe; and (3) he cannot qualify for a section 502 loan or a section 503 loan. Such assistance shall be limited to \$1,000 to any individual and shall be extended only to cover the cost of minor improvements or additions such as repairing roofs, providing toilet facilities, providing a con-

venient and sanitary water supply, supplying screens, repairing or providing structural supports, or making other similar repairs or improvements. The loan portion of the assistance also may include funds to cover the cost of land development or enlargement in cases in which and to the extent that such land development or enlargement decreases or eliminates the necessity which would otherwise exist for grant assistance. The grant portion of such financial assistance, whether or not combined with a loan, shall be limited to \$500 to any individual.

(c) The word "farm" as used in this subchapter means a parcel or parcels of land operated as a single unit which (1) is used for agricultural production, and (2) customarily produces or is capable of producing agricultural commodities for sale and for home use which have a gross annual value of not less than the equivalent of a gross annual value of \$400 in 1944.

(d) In order to qualify for a Farm Housing loan, the applicant must be able to demonstrate that his income from the farm and other sources will be sufficient to meet (1) reasonable farm operating expenses, normal capital replacements, and usual family living expenses, (2) payments required on any existing loans, and (3) payments required on the proposed Farm Housing loan.

(e) Farm Housing funds may not be used for refinancing any existing indebtedness; therefore, a first mortgage will not be required. A Farm Housing loan will be secured by a mortgage on the farm subject to existing liens, if any.

(f) When the value, after development, of the farm to be mortgaged minus

the amount of any existing liens is less than the amount of the proposed Farm Housing loan, such a loan will be made only when additional security or collateral can be taken which, in the opinion of the loan approval officer, has sufficient security value to compensate adequately for the lack of security represented by the farm.

(g) No Farm Housing assistance will be extended unless it has been determined that (1) the applicant is the owner of a farm, (2) he is without sufficient resources to provide the necessary housing and buildings on his own account, and (3) he is unable to secure the necessary credit for such housing and buildings from other sources upon terms and conditions which he could reasonably be expected to fulfill.

(h) Each Farm Housing borrower will be required, upon request of the Farmers Home Administration, to make every effort to refinance the balance of his Farm Housing loan through cooperative or other responsible credit sources. Such a request will be made whenever it appears to the Farmers Home Administration that he is able to do so upon reasonable terms and conditions.

(Secs. 501, 502, 503, 504, 63 Stat. 432, 433, 434; 42 U. S. C. 1471, 1472, 1473, 1474)

§ 301.2 Terms of loans—(a) Amortization period. Farm Housing loans will be made for periods of 5, 10, 15, 20, or 33 years depending upon the probable debt-paying ability of the borrower, but not in excess of the useful life of the improvement, except that:

(1) A section 503 loan will be made for a period of 33 years.

(2) A section 504 loan will generally be made for 5 years and never for more than 10 years.

(b) *Interest rate.* Interest on Farm Housing loans will be charged at the rate of 4 percent per annum on the unpaid balance of principal.

(c) *Security instruments.* The real estate mortgage securing the debt will specify the terms and conditions under which the funds were advanced to the borrower. In addition to the repayment period and the interest rate, as indicated in § 301.2 (a) and (b), the real estate mortgage will provide, among other conditions, that:

(1) The borrower will repay the unpaid balance of the loan, with interest, in amortized installments.

(2) The borrower will keep the property insured against loss by fire or other insurable hazards and will pay taxes, assessments, and other charges against the farm.

(3) The property will be maintained in good condition and that waste and exhaustion of the farm will be prevented.

(4) The entire outstanding indebtedness on the loan may be declared immediately due and payable because of the violation of any terms of the security instrument.

(Secs. 502, 503, 504, 63 Stat. 433, 434; 42 U. S. C. 1472, 1473, 1474)

SUBPART B—TYPES OF FINANCIAL ASSISTANCE

DERIVATION: §§ 301.21 to 301.22 contained in FHA Instruction 401.13.

§ 301.21 General. The Housing Act of 1949 states that "governmental assistance for decent, safe, and sanitary farm dwellings and related facilities shall be extended where the farm owner demonstrates that he lacks sufficient resources to provide such housing on his own account and is unable to secure necessary credit for such housing from other sources on terms and conditions which he could reasonably be expected to fulfill.

(Sec. 2, 63 Stat. 413; 42 U. S. C. 1441)

§ 301.22 Types of assistance. Under this act, the Farmers Home Administration will extend three types of Farm Housing assistance to qualified applicants. For the purposes of identification, the three types of assistance will be referred to as (a) section 502 loans; (b) section 503 loans; and (3) section 504 loans and grants.

(a) *Section 502 loans.* A section 502 loan may be made to an applicant who has the ability to repay the loan in full within the prescribed period with income from the farm and other sources: *Provided*, That minimum standards for construction and repair can be met. A section 502 loan may be made to enable a borrower to:

(1) Construct, improve, alter, repair, or replace a dwelling or dwellings on his farm, including—in connection with repair, alteration, or new construction—the purchase and installation of facilities for heating, cooking, lighting, and refrigeration.

(2) Construct, improve, alter, repair, or replace other farm buildings essential to the operation of his farm.

(3) Provide necessary water installations for dwelling and farm buildings.

(4) Pay fees and expenses incident to the making and closing of the loan which are required to be paid by the borrower and which he cannot pay from other funds.

(b) *Section 503 loans.* A section 503 loan may be made to an applicant who, because of inadequate income from the farm and other sources, cannot reasonably be expected to meet in full annual payments during the first 5 years, who can reasonably be expected to meet at least 50 percent of the annual installment of principal during those years, and whose income can be expected to increase, within not more than 5 years as a result of improvement or enlargement of the farm or adjustment of the farm practices, production, or methods, sufficiently to make remaining annual payments completely within the remaining period of the loan. All section 503 loans will be amortized over a 33-year period. Compliance with minimum standards for construction and repair also is required in connection with a section 503 loan. During the first 5 years following the date of the borrower's promissory note, the Farmers Home Administration may make annual contributions in the form of credits to the borrower's indebtedness in an amount not to exceed the annual installment of interest and 50 percent of the annual principal installment. Such contributions must be justified by evidence that the borrower's income is, in fact, insufficient to enable him to make the scheduled payment and that the bor-

rower has carried out his farm plan with due diligence. A section 503 loan may be made to enable a borrower to:

(1) Construct, improve, alter, repair, or replace a dwelling or dwellings on his farm, including—in connection with repair, alteration, or new construction—the purchase and installation of facilities for heating, cooking, lighting, and refrigeration.

(2) Construct, improve, alter, repair, or replace other farm buildings essential to the operation of his farm.

(3) Provide necessary water installations for dwelling and farm buildings.

(4) Pay fees and expenses incident to the making and closing of the loan which are required to be paid by the borrower and which he cannot pay from other funds.

(5) Where necessary, purchase additional land to enlarge his farm or to provide for land development in order to furnish income sufficient to support decent, safe, and sanitary housing and other farm buildings and to encourage adequate family-size farms.

(c) *Section 504 loans and grants.* A section 504 loan, a section 504 combination loan and grant, or a section 504 grant may be made only to an applicant who is an owner-occupant and who cannot qualify for a section 502 loan or a section 503 loan. Such assistance will be extended only when (1) minor repairs and improvements must be made to the farm dwelling he occupies in order to make such dwelling safe and sanitary and remove hazards to the health of the applicant, his family, or the community, or (2) minor repairs must be made to essential farm buildings in order to remove hazards and make such buildings safe. Minor repairs and improvements made with such assistance will be substantially constructed, but do not have to meet minimum standards for construction and repair as required for section 502 loans and section 503 loans. Such assistance may be extended to cover the cost of minor improvements or additions such as repairing roofs, providing toilet facilities, providing a convenient and sanitary water supply, supplying screens, repairing or providing structural supports, or making other similar repairs or improvements. A section 504 loan will generally be made for 5 years and never for more than 10 years.

(1) *Section 504 loans (without grants).* A section 504 loan may be made to an applicant to cover the cost of such minor improvements or additions mentioned above and may include funds to pay fees and expenses incident to the making and closing of the loan which are required to be paid by the borrower and which he cannot pay from other funds. In special cases, a section 504 loan also may include funds to enable a borrower to purchase additional land to enlarge his farm or to provide for land development to the extent necessary to supply income sufficient to eliminate the need for a grant. (See § 301.22 (c) (2) in case the amount of a grant needed can be reduced but not eliminated.) No section 504 loan shall be extended to any one individual in excess of \$1,000.

(2) *Section 504 combination loans and grants.* A section 504 combination loan

RULES AND REGULATIONS

and grant may be made to an applicant to cover the cost of such minor improvements or additions mentioned above and may include funds to pay fees and expenses incident to the making and closing of the loan which are required to be paid by the borrower and which he cannot pay from other funds. In special cases, the loan funds under a section 504 combination loan and grant also may be used to enable a borrower to purchase additional land to enlarge his farm or to provide for land development to the extent necessary to supply income sufficient to reduce the amount of a grant needed. No assistance shall be extended to any one individual in the form of a section 504 combination loan and grant in excess of \$1,000, and the grant portion of such assistance shall not exceed \$500.

(3) *Section 504 grants (without loans).* A section 504 grant may be made to an applicant to cover the cost of such minor improvements or additions mentioned above provided that the applicant does not have the ability to repay any Farm Housing loan. No section 504 grant shall be extended to any one individual in excess of \$500.

(Secs. 502 (a), 503, 504, 63 Stat. 433, 434; 42 U. S. C. 1472 (a), 1473, 1474)

PART 302—APPLICANTS

SUBPART A—CRITERIA FOR SELECTION

Sec.	
302.1	General.
302.2	Requirements.
302.3	Veterans preference.
302.4	Limitations.

SUBPART B—APPLICATIONS

302.21	General.
302.22	Applications for Farm Housing assistance.
302.23	Reaching proper understanding with applicants.
302.24	Consideration of applications.

AUTHORITY: §§ 302.1 to 302.24 issued under sec. 510 (g), 63 Stat. 438; 42 U. S. C. 1480 (g). Statutory provisions interpreted or applied are cited to text in parentheses.

SUBPART A—CRITERIA FOR SELECTION

DERIVATION: §§ 302.1 to 302.4 contained in FHA Instruction 411.11.

§ 302.1 *General.* In considering the qualifications of applicants to receive Farm Housing assistance, no discrimination shall be made on the basis of race, creed, or political affiliation.

(Sec. 501, 63 Stat. 432; 42 U. S. C. 1471)

§ 302.2 *Requirements—(a) General requirements.* To qualify for any Farm Housing assistance, an applicant must:

(1) Be an owner of a farm as defined in § 301.1 (a) of this subchapter.

(2) Be a citizen of the United States.

(3) Be without sufficient resources to provide on his own account the necessary housing, buildings, or minor repair and improvements thereto, and be unable to secure the necessary credit from other sources upon terms and conditions which he could reasonably be expected to fulfill. An applicant for a Farm Housing loan who has an existing mortgage on his farm should endeavor to obtain the necessary financing from his present mortgagee.

(4) Have income from the farm and other sources which is sufficient to meet (i) reasonable farm operating expenses, normal capital replacements, and usual family living expenses, (ii) payments required on any existing loans, and (iii) payments required on the proposed Farm Housing loan.

(5) Provide as security his equity in the developed farm which must be at least equal to the amount of the Farm Housing loan; or if such security is insufficient, provide additional security or collateral to compensate adequately for the lack of security represented by the farm.

(6) Have shown a proper attitude toward meeting his debt obligations.

(7) Possess the character, ability, and experience necessary to carry out successfully undertakings required of him under the Farm Housing program.

(8) Be willing to cooperate with the Farmers Home Administration in carrying out his Farm Housing Development Plan.

(9) Be 21 years of age, unless legal disability of minority has been removed pursuant to the laws of the state.

(b) *Special requirements.* In addition to the general requirements outlined in § 302.2 (a), an applicant must meet the following special requirements to qualify for a particular type of Farm Housing assistance.

(1) *Section 502 loans.* To qualify for a section 502 loan, an applicant must:

(i) Be the owner of a farm which is (a) without a decent, safe, and sanitary dwelling for himself and his family and necessary resident farm labor, or for the family of the operating tenant, lessee, or sharecropper, or (b) without other farm buildings adequate for the type of farming in which he engages or desires to engage.

(ii) Provide adequate security and have adequate income from the farm (as improved) and other sources to support a loan for housing or other essential farm buildings which meet minimum standards for construction and repair.

(2) *Section 503 loans.* To qualify for a section 503 loan, an applicant must:

(i) As in the case of a section 502 loan, be the owner of a farm which is (a) without a decent, safe, and sanitary dwelling for himself and his family and necessary resident farm labor, or for the family of the operating tenant, lessee, or sharecropper, or (b) without other farm buildings adequate for the type of farming in which he engages or desires to engage.

(ii) Be unable because of the inadequacy of the income from the farm and other sources to meet annual repayments of principal and interest during the first 5 years; be able to meet at least 50% of the annual installments of principal during those years; and be able to increase sufficiently such income within a period not to exceed 5 years to make thereafter annual repayments of principal and interest in full. Such increase in income must be the result of improvement or enlargement of the farm or adjustment of the farm practices, production, or methods.

(iii) Provide adequate security and have adequate income from the farm

(as improved or developed) and other sources, except for any authorized credits which may be made during the first 5 years following the date of the borrower's promissory note, to support a loan for housing or other essential farm buildings which meet minimum standards for construction and repair.

(iv) Be willing to cooperate with representatives of the Farmers Home Administration in (a) instituting and carrying out farm and home management plans involving improvement or enlargement of his farm or adjustment of his farm practices, production, or methods, and (b) maintaining records of his income and expense which are satisfactory to the Farmers Home Administration.

(3) *Section 504 loans and grants.* To qualify for a section 504 loan or grant, an applicant must:

(1) Be ineligible for a section 502 loan or a section 503 loan because he has inadequate security or inadequate income from the farm and other sources, and because the farm cannot be developed as authorized for a section 503 loan within 5 years to provide such security and such income, to support a loan for housing or other essential farm buildings which would meet minimum standards for construction and repair.

(ii) Be the owner and occupant of a farm on which (a) minor repairs and improvements must be made to the farm dwelling he occupies in order to make such dwelling safe and sanitary and remove hazards to the health of the applicant, his family, or the community, or (b) minor repairs must be made to other essential farm buildings in order to remove hazards and make such buildings safe.

(iii) In order to qualify for any grant, have inadequate income from the farm and other sources to repay all the costs of such minor repairs or improvements.

(Secs. 501 (a), 501 (c), 502, 503, 504, 63 Stat. 432, 433, 434; 42 U. S. C. 1471 (a), 1471 (c), 1472, 1473, 1474)

§ 302.3 *Veterans preference.* (a) As between eligible applicants, preference shall be given to veterans and to spouses and children of deceased servicemen. The term "veteran" as used in the regulations in this part means a person who served in the armed forces of the United States during any war between the United States and any other nation and who has been discharged or released therefrom on conditions other than dishonorable. "Deceased servicemen" mean men or women who served in the armed forces of the United States during any war between the United States and any other nation and who died in service before the termination of such war.

(b) *Evidence of eligibility.* When any person indicates on Form FHA-443, "Application for Farm Housing Assistance," that he is a veteran or the spouse or child of a deceased serviceman, it will be necessary that satisfactory evidence of that fact be furnished.

(Sec. 507, 63 Stat. 436; 42 U. S. C. 1477)

§ 302.4 *Limitations.* The following additional limitations will be observed

with respect to all applicants for Farm Housing assistance.

(a) Unless an exception, together with the reasons therefor, is made in writing by the State Director, an applicant for Farm Housing assistance shall not be approved when the applicant or a person in his family is related to any employee (including County Committeemen) who participates in the processing or approval of any loan or grant in any of the following direct or step relationships: Father, mother, son, daughter, brother, sister, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law. When a County Committeeman so related to the applicant does not participate in any manner in the consideration, discussion, or recommendation of the applicant, the loan or grant may be processed upon recommendation of the two remaining committeemen.

(b) An applicant for Farm Housing assistance shall not be approved if he is employed by the Farmers Home Administration (including County Committeemen), or if he has been so employed, unless at least one year has elapsed since his resignation or retirement.

(Sec. 501 (a), 63 Stat. 432; 42 U. S. C. 1471 (a))

SUBPART B—APPLICATIONS

DERIVATION: §§ 302.21 to 302.24 contained in FHA Instruction 411.12.

§ 302.21 General. (a) Applications for Farm Housing assistance will be received in the County Office. All applicants will be advised that such assistance depends upon:

(1) Availability of funds.

(2) Recommendations of the County Committee regarding the applicant and his farm.

(3) Approval by appropriate officials of the Farmers Home Administration.

(b) The County Supervisor will be responsible for informing the public relative to the services available under the Farm Housing program in his territory. However, applications shall not be solicited under any circumstances.

(Secs. 501, 508 (b), 511, 512, 513, 63 Stat. 432, 436, 438; 42 U. S. C. 1471, 1478 (b), 1481, 1482, 1483)

§ 302.22 Applications for Farm Housing assistance—(a) Form FHA-443, "Application for Farm Housing Assistance." Each applicant for Farm Housing assistance will be furnished Form FHA-443, "Application for Farm Housing Assistance," and will be instructed to fill out the Form as completely as possible.

(b) Notification to applicants. (1) If at any time during the consideration of an application, it is determined that an applicant cannot qualify for Farm Housing assistance, he will be advised by letter that his application was not approved.

(2) As long as an applicant is under consideration for a loan or grant, no formal notice need be sent to him. Upon his request or as contacts are made with him in the process of considering his application, he will be kept informed in regard to the progress being made.

(Sec. 501, 63 Stat. 432; 42 U. S. C. 1471)

§ 302.23 Reaching proper understanding with applicants. Reaching a proper understanding with an applicant with respect to the benefits and responsibilities involved in Farm Housing assistance is important. This is true in connection with all types of Farm Housing assistance, but has particular significance in connection with a section 503 loan since such a loan, during the first five years, requires farm and home plans, records of family income and expenses, and annual income returns. The process of arriving at an understanding should begin on the occasion of the first visit with the applicant. Each contact thereafter should furnish an opportunity to further this understanding. Before Farm Housing assistance is extended, the County Supervisor should be satisfied that the applicant fully understands his responsibilities in connection therewith. The nature of the understanding that should be reached with the applicant will depend somewhat upon the type of assistance and the circumstances under which the loan or grant is to be made.

(a) Advising applicants regarding the types of assistance available. In many cases, it will be evident whether the applicant is eligible for a section 502 loan, a section 503 loan, or section 504 assistance. In such cases, it will not be necessary to discuss with him the various types of assistance that are available. In other cases, there may be some question in regard to the type of assistance for which the applicant may be eligible. In those cases, the County Supervisor should discuss with him the types of assistance that are available, as outlined in § 301.22 of this subchapter, and for which he may be qualified.

(b) What the applicant should understand. In the course of establishing a proper understanding, the County Supervisor should explain to the applicant that:

(1) He must be without sufficient resources to provide the necessary housing and buildings on his own account and be unable to secure the necessary credit from other sources upon terms and conditions which he could reasonably be expected to fulfill.

(2) He must proceed with diligence to refinance the balance of the Farm Housing indebtedness when, in the judgment of the Farmers Home Administration, he is able to do so on reasonable terms and conditions.

(3) Any building constructed or repaired in connection with a section 502 loan or a section 503 loan must meet minimum standards as established by the Farmers Home Administration and any construction performed in connection with section 504 assistance must be of a substantial nature.

(4) He must cooperate with the Farmers Home Administration in developing and carrying out his Farm Housing Development Plan.

(5) When a section 502 loan is appropriate, he will be expected to repay the full amount of the loan with interest.

(6) When a section 503 loan is appropriate:

(i) Form FHA-14C, "Long-Time Farm and Home Plan," covering the first five-year period will be required.

(ii) Form FHA-14, "Farm and Home Plan," for each of the first five years will be required.

(iii) Form FHA-195, "Farm Family Record Book," will be kept for each of the first five years as a basis for improving the farm and home operations and to determine the amount of contributions, if any, to be made in the form of credits on his annual installment.

(iv) Form FHA-528, "Annual Income Return," will be submitted at the end of each of the first five years as a basis for analyzing the farm and home operations and to justify any request for contributions.

(v) Funds for farm enlargement or land development can be included only to the extent necessary to supply income sufficiently to support housing and other farm buildings which meet minimum standards for construction and repair or to encourage an adequate family-size farm.

(vi) Credits of principal and interest upon his indebtedness shall not be assignable nor accrue to the benefit of any third party without the written consent of the Farmers Home Administration. In case the farm is sold, he may be required to make payment in cash of the entire original loan plus accrued interest thereon, less actual cash payments on principal and interest, when it is determined that the benefits would accrue to a person not eligible to receive such benefits.

(7) When section 504 assistance is appropriate, that portion of the assistance which it appears he can repay will be in the form of a loan, and only that portion of the assistance which it appears he cannot repay will be in the form of a grant. He also should understand that he will be expected to repay the full amount of any loan with interest. Furthermore, loan funds for farm enlargement or land development can be included only to the extent necessary to supply income sufficient to reduce the amount of grant needed.

(8) When he is a landlord, he must agree in writing that the improvements constructed or repaired shall not be a justification for directly or indirectly changing the terms or conditions of the lease or occupancy agreement with the occupants to their disadvantage, without the written approval of the Farmers Home Administration.

(Secs. 501 (c), 502, 503, 504, 506 (a), 509, 63 Stat. 433, 434, 435, 436; 42 U. S. C. 1471 (c), 1472, 1473, 1474, 1476 (a), 1479)

§ 302.24 Consideration of applications. (a) In reviewing each application, the Committee will carefully consider, among other things, the borrower's financial status, his indicated farm and off-farm income, the nature of the improvements he desires to make and the comments of the County Supervisor or others.

(b) When an applicant indicates that he is the owner of a farm by reason of a purchase contract, the County Supervisor will request him to furnish a copy of the purchase contract.

(c) It will be the responsibility of the County Supervisor and the County Committee to consider the physical ability of the applicant and his family to carry

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out their responsibilities in connection with any Farm Housing assistance. When any definite health problems are in evidence, the County Supervisor, with the consent of the applicant, may consult the family's physician. It is only those physical disabilities which are likely to interfere with repayment that render an applicant ineligible for a section 502 loan or a section 503 loan. Section 504 assistance may be justified in some cases when the applicant is not eligible for a section 502 loan or a section 503 loan because of health conditions.

(Sec. 508 (b), 63 Stat. 436; 42 U. S. C. 1478 (b))

PART 303—FARMS

SUBPART A—COUNTY COMMITTEE RECOMMENDATIONS

Sec. 303.1 General.
303.2 Recommendations to be made by County Committee.

SUBPART B—APPRaisALS

303.21 General.
303.22 Recommendations to be made by the appraiser.

AUTHORITY: §§ 303.1 to 303.22 issued under sec. 510 (g), 63 Stat. 438; 43 U. S. C. 1480 (g). Statutory provisions interpreted or applied are cited to text in parentheses.

SUBPART A—COUNTY COMMITTEE RECOMMENDATIONS

DERIVATION: §§ 303.1 to 303.2 contained in FHA Instruction 421.13.

§ 303.1 General. (a) The County Committee is responsible for examining applications of persons desiring to obtain Farm Housing assistance and will make its recommendations with respect to:

(1) The eligibility of the applicant for Farm Housing assistance.

(2) The likelihood that the applicant, by reason of his character, ability, and experience, will carry out the undertakings required of him.

(3) Whether the farm is of such character that there is a reasonable likelihood that the making of the assistance requested will carry out the purposes of the Housing Act of 1949.

(4) The reasonable value of the farm.

(5) The type of assistance for which the applicant is qualified.

(6) The amount of the loan or grant.

(7) The number of years over which a section 502 loan or a section 504 loan should be repaid.

(b) The Committee will examine each application and determine the recommendations to be made.

(1) Before making final recommendations that Farm Housing assistance be extended to an applicant, the Committee will review the information the County Supervisor has secured, the replies from references, the recommendations of the appraiser, and the completed plans of the applicant for improving his farm.

(i) The Committee should be largely governed by the report of the appraiser and the facts it discloses concerning the farm and the value of the real estate security. The Committee members will visit and personally examine a farm only when they feel that they cannot exercise sound judgment without such a visit.

(ii) The Committee may personally interview the applicant whenever it is considered necessary in arriving at proper recommendations. This may be done either by the applicant appearing at a Committee meeting or by one or more members of the Committee visiting the applicant at his farm.

(iii) The Committee will consider the improvement and development plans of the applicant, as well as his probable debt-paying ability, taking into consideration income after the planned improvements are made.

(iv) When repayment of a loan will be dependent in part on nonagricultural or off-farm income, the Committee should consider such income, giving particular attention to the amount of such income, its probable dependability and duration, and other demands that will likely be made upon it.

(Sec. 508 (b), 63 Stat. 436; 42 U. S. C. 1478 (b))

§ 303.2 Recommendations to be made by County Committee—(a) Determination of reasonable value. The Committee will give its opinion of the reasonable value of the farm. This opinion should be based upon:

(1) The net income a typical operator could reasonably be expected to realize from the farm under normal conditions as indicated by the appraisal report.

(2) The sales of comparable farms in the area over a period of years which are neither depression years nor years of inflation.

(3) The condition of the buildings, their suitability to the farm, adequacy, and durability. Buildings in good condition and of durable materials and construction will have lower maintenance and repair costs. In evaluating a farm which is overbuilt, recognition should be given to the additional maintenance and repair costs resulting from the buildings being excessive to the needs of the farm.

(4) The non-agricultural assets of the farm which are dependable and accrue to the farm, such as sand, stone, gravel, or timber.

(5) The location of the farm with respect to schools, churches, markets, or opportunities for off-farm employment. Employment or other income available only to the present owner does not add to the value of the farm; it only increases the ability of the present owner to repay a loan. However, the value of a farm is enhanced when so located that steady employment will likely be available to any occupant of the farm.

(b) Recommendations of type of assistance, amount of assistance, and repayment period. The Committee will recommend the type of assistance for which the applicant is eligible, the amount of assistance, and the number of years over which a section 502 loan or a section 504 loan should be repaid.

(1) When considering the amount of loan to be recommended, attention should be given to:

(i) The estimated cost of the improvements.

(ii) The debt-paying ability of the applicant.

(iii) The applicant's equity in his farm.

(iv) The value of the security offered in addition to the applicant's equity in his farm.

(2) In the case of a section 502 loan, the Committee will recommend that the loan be repaid over 5, 10, 15, 20, or 33 years after considering:

(i) The debt-paying ability of the applicant. The period of repayment should be clearly within the borrower's debt-paying capacity but should not be longer than judgment indicates will be required.

(ii) The quality of the security. Loans should not run for longer periods than the probable life of the security. In this connection, type of building construction and probable rate of depreciation are important.

(iii) The dependability and probable duration of off-farm income. When the repayment of the loan is dependent to a large degree upon off-farm income, the repayment period should be adjusted in accordance with the dependability and probable duration of such income.

(3) A section 503 loan will always be recommended for 33 years.

(4) A section 504 loan will generally be recommended for 5 years and never for more than 10 years.

(5) The amount of any grant recommended will be limited to the estimated cost of authorized minor repairs and improvements which the applicant cannot repay in the form of a loan.

(Sec. 508 (b), 63 Stat. 436; 42 U. S. C. 1478 (b))

SUBPART B—APPRaisALS

DERIVATION: §§ 303.21 to 303.22 contained in FHA Instruction 422.11.

§ 303.21 General. (a) A technical appraisal will be prepared for each farm to be improved with a Farm Housing loan, regardless of the type of loan. Such appraisal will be made available to the County Committee for its guidance in preparing the County Committee recommendations and to the County Supervisor and loan approving official for their guidance in processing and reviewing the loan application.

(1) A technical appraisal will not be required in connection with a section 504 grant (without loan).

(b) "Appraisers" are employees of the Farmers Home Administration who have been authorized to appraise farms.

(c) When available information indicates that the agricultural production of the farm is sufficient to be significant in the determination of the value of the farm, the appraiser will determine the normal agricultural value. On the other hand, when the agricultural contribution is not sufficient to be significant in determining the value of the farm, the normal agricultural value need not be employed by the appraiser in his determination of the normal market value. The agricultural production of the farm will be considered significant when the agricultural income represents 50% of the gross cash income of the applicant. The appraiser should give recognition to individual circumstances as there may be instances when the agricultural income may be significant even when it

is less than 50% of the applicant's gross cash income.

(d) Farms will be appraised on a developed or enlarged basis.

(Sec. 502 (b), 63 Stat. 433; 42 U. S. C. 1472 (b))

§ 303.22 *Recommendations to be made by the appraiser*—(a) *Normal agricultural value*. This value will be determined whenever the farm is capable of significant agricultural production as indicated in § 303.21 (c). The normal agricultural value is the amount a typical purchaser would, under usual conditions, be willing to pay and be justified in paying for the farm, as improved, for farming purposes only, as reflected by prices at which comparable properties in the community have been sold over a period of years for similar use, excluding from consideration the years of extreme high or low prices. It further assumes that the farm may normally be expected to sell for that amount with a reasonable amount of effort and that the purchaser is a willing but not anxious buyer and the seller is a willing but not forced seller.

(b) *Normal market value*. This value will be determined in connection with each Farm Housing appraisal. The normal market value is the amount a typical purchaser would, under usual conditions, be willing to pay and be justified in paying for the farm, as improved, for farming purposes and for any non-agricultural assets the farm may have. This value is reflected by prices at which comparable properties in the community have been sold over a period of years for similar use, excluding from consideration the years of extreme high or low prices. It further assumes that the farm may normally be expected to sell for that amount with a reasonable amount of effort and that the purchaser is a willing but not anxious buyer and the seller is a willing but not forced seller.

(1) In determining this value, consideration is given to such non-agricultural assets as (i) suitability for residential purposes, both from the standpoint of location and type of construction, and (ii) other non-agricultural assets such as timber, gravel, stone, or proven minerals.

(2) This value does not recognize speculative influences such as subdivision possibilities or mineral prospects.

(3) This value and the normal agricultural value will be the same when the farm has no non-agricultural assets.

(c) *Maximum Farm Housing loan*. The appraiser will base this recommendation on the probable income of the applicant and the value and the useful life of the security offered. In some instances, the amount will be the difference between (1) the normal market value of the farm and (2) the sum of any existing liens against the property offered as security. In other cases, the judgment of the appraiser concerning the applicant's income and the useful life of the security may result in the recommendation of a smaller amount. If the buildings are old and unsound or the terms of existing liens burdensome,

a smaller amount should be recommended.

(d) *Repayment period*. This recommendation will be the appraiser's opinion as to the number of years over which a loan of the amount he recommended may soundly be amortized.

(1) For section 502 loans, the recommended period will be based upon the same considerations that the recommended "Maximum Farm Housing Loan" is based upon.

(2) For section 503 loans, 33 years will be the recommended period.

(3) For section 504 loans, the recommendation usually will be for 5 years and never for more than 10 years.

(Sec. 502 (b), 63 Stat. 433; 42 U. S. C. 1472 (b))

PART 304—CONSTRUCTION AND REPAIR

SUBPART A—MINIMUM STANDARDS

Sec.

304.1 General.

304.2 Minimum construction standards.

SUBPART B—PLANNING FARM DEVELOPMENT

304.21 General.

304.22 Responsibilities for planning farm development.

304.23 Planning farm development.

304.24 Methods of performing farm development.

SUBPART C—PERFORMING FARM DEVELOPMENT

304.41 General.

304.42 Development performed by or under the direction of the borrower.

304.43 Development performed by contract.

304.44 Changes in Form FHA-442.

304.45 Inspections.

304.46 Payments.

AUTHORITY: §§ 304.1 to 304.46 issued under sec. 510 (g), 63 Stat. 438, 42 U. S. C. 1480 (g). Statutory provisions interpreted or applied are cited to text in parentheses.

SUBPART A—MINIMUM STANDARDS

DERIVATION: §§ 304.1 and 304.2 contained in FHA Instruction 424.11.

§ 304.1 *General*. (a) All new buildings and repairs financed with Farm Housing assistance shall be substantially constructed and in accordance with approved building plans and specifications. The minimum construction standards set forth herein are not intended as a complete guide for planning or constructing a farm dwelling or other farm buildings, but represent the minimum construction requirements necessary to provide decent, safe and sanitary living conditions and adequate farm buildings. Minimum construction standards are not subject to rigid definitions, therefore, good judgment is required in interpreting and applying such standards.

(b) *Section 502 loans and section 503 loans*. All new buildings and all existing buildings to which alterations and repairs are proposed in connection with section 502 loans and section 503 loans should conform to the minimum construction standards set forth herein. Strict compliance with these minimum standards will be required in connection with new buildings. When repairs or alterations are proposed to existing buildings, strict compliance with these minimum standards will be required for the new construction, but the existing construction

will be required to meet these standards only insofar as it is practicable.

(c) *Section 504 assistance*. Construction in connection with section 504 assistance shall be substantial and shall conform with the minimum construction standards only insofar as they are necessary to make the dwelling safe and sanitary and to remove hazards to the health of the applicant, his family, or the community and to remove hazards and make farm buildings safe.

(d) *Compliance with local regulations*. All improvements to the property shall conform to all applicable laws, ordinances, and regulations which relate to the safety and sanitation of the buildings.

(e) *Changes to meet local conditions*. The Standards described herein are essentially minimum. The State Director shall issue a State Instruction giving more specific details regarding the application of minimum standards to local conditions.

(f) *Plans and specifications*. Plans and specifications shall be accurate and sufficiently complete to describe the intended improvements and the size, grade, and quality of materials and quality of workmanship.

(g) *Special methods of construction*. New or special methods of construction, not generally considered conventional, will be treated as special cases. After a complete analysis by the State Engineer, the plans and specifications with the recommendations of the State Director will be forwarded to the National Office where a review will be made of the case and a ruling issued on the acceptability of the method.

(Secs. 501 (a), 504 (a), 506 (a), 509 (a), 63 Stat. 432, 434, 435, 436; 42 U. S. C. 1471 (a), 1474 (a), 1476 (a), 1479 (a))

§ 304.2 *Minimum construction standards*—(a) *Site*. For new buildings, a site shall be selected which is well drained and not subject to hazards such as the probability of flood or erosion. All new buildings shall be suitably located in relation to other buildings. A satisfactory road to the building site shall be available.

(b) *Dwelling*. Each dwelling unit shall provide suitable and desirable living, sleeping, cooking, and dining accommodations, and adequate storage and sanitary facilities ordinarily considered necessary to a permanent home.

(1) *Room size*. Rooms shall be of such size and so planned as to permit the proper spacing of adequate furniture and equipment, appropriate to and essential for the use of the occupants.

(2) *Bathroom*. In new dwellings, the plan shall include either a bathroom or space for a future bathroom large enough to include a water closet, lavatory, and tub. The arrangement of fixtures shall provide at least a 90 degree door swing and comfortable use of each fixture. When the bathroom is equipped, a septic tank or other approved means for sanitary waste disposal shall be provided.

(3) *Closets*. All bedrooms shall be provided with at least one clothes closet, minimum size 2 feet deep and 4 feet

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wide. Where practicable, a coat closet near entrance, minimum size 2 feet deep and 3 feet wide, and a linen closet near the bedrooms, minimum size 22 inches deep by 3 feet wide, should be provided.

(4) *Food storage.* Sufficient space to meet the needs of the family shall be provided for food storage. Food storage space shall be conveniently located and provided with proper ventilation and protection from freezing and excessive heat.

(5) *Kitchen.* The kitchen shall be properly equipped with a sink, cupboards, drawers, and adequate working surfaces. The sink shall be connected with a drain which will dispose of the waste in a sanitary manner.

(6) *Heater room and fuel storage.* Where central heating plants are proposed, sufficient space for safety, arrangement, and clearance of all equipment, and the proper storage space for fuel shall be provided. Clearances required for safety shall be determined by the insulation of the heater and type of wall, floor, and ceiling covering.

(7) *Light and ventilation.* Natural light and ventilation shall be provided in all habitable rooms by means of windows and doors. The glazed window area for each habitable room shall be at least 10 percent of the floor area. For adequate ventilation the window area which can be opened shall be at least 5 percent of the floor area. The heater room shall be provided with sufficient ventilation to assure proper combustion and safety. In the attic and basementless areas, sufficient vents shall be installed to prevent conditions conducive to decay and deterioration. Screened vent openings shall be installed in basementless foundation walls on the basis of one square foot for each fifteen lineal feet of exterior wall. Each area to be ventilated shall have at least two vents. All window and door openings to the exterior, except to screened porches, shall be properly screened.

(8) *Access to attic and basementless areas.* Access shall be provided to the attic by means of scuttles or disappearing or permanently installed stairs. Access to basementless areas shall be provided by an opening in the wall not less than eighteen inches by twenty-four inches.

(9) *Ceiling heights.* Ceiling heights shall be not less than 7 feet 4 inches.

(10) *Doors.* All doors shall be sufficiently wide to provide for necessary passage of furniture and household equipment. All exterior doors shall be not less than 2 feet 8 inches wide. All interior doors which provide access to habitable rooms shall be not less than 2 feet 6 inches wide.

(11) *Stairways.* The design for stairways shall be such as to afford safety, provide adequate head room and space for passage of furniture, giving particular attention to railings, landings, winders, treads, and risers.

(12) *Structural requirements.* (i) All portions of the structure subject to exterior exposure shall be of such material and be so constructed and protected as to prevent entrance and penetration of moisture and weather.

(ii) Adequate precaution shall be taken to properly protect materials and construction from damage by ordinary use and by decay, corrosion, termites, and other destructive elements.

(iii) Workmanship shall be of a quality equal to good standard practice and materials used shall be of such kind and quality as to assure reasonable durability and economy of maintenance.

(iv) All parts of the structure shall be properly designed to carry the loads without detrimental effect on the wall finish or roofing material.

(v) Each member shall be correctly fitted and connected.

(vi) The structure shall be adequately braced against lateral stress.

(vii) Adequate precaution shall be taken to protect against fire and other hazards.

(13) *Water supply, plumbing, and sanitation.* (i) *Domestic water supply.* The domestic water supply must be adequate, convenient, and uncontaminated. The source of water shall be situated so as to avoid pollution from barn and outdoor toilets, sewage disposal fields, and other sources. Wells shall have concrete slab covers with sanitary type pumps installed.

(ii) *Plumbing.* The installation of all plumbing work shall comply with the requirements of the applicable local and state regulations. In the absence of local and state regulations, the requirements contained in "Recommended Minimum Requirements for Plumbing," published by the National Bureau of Standards, shall apply.

(iii) *Sanitation.* Privies and other individual sewage disposal systems shall meet applicable local and state regulations as to design and location and in the absence of such regulations should meet the minimum requirements recommended by the joint Committee on Rural Sanitation for Individual Sewage Disposal Systems as published by the United States Public Health Service.

(14) *Heating.* In climates where heating is required for winter comfort, each dwelling shall be provided with facilities for heating. The type and quality of performance of the equipment shall conform to the class of dwelling under consideration. Where central heating systems are proposed, the heating system shall be of such capacity that under normal operation it will produce and maintain comfortable temperatures within all habitable rooms under weather conditions customarily to be expected in the area. All equipment and material shall conform to standards, approved by the State Director prior to installation and shall be installed by experienced workmen familiar with the installation of the type of heating system to be used.

(15) *Electrical.* Except in areas where electricity is not presently available and it appears unlikely that it will be available in the foreseeable future, all new houses will be wired for electricity when built. The dwelling shall have the following outlets as a minimum: ceiling light in work room, porches, halls, stairways, dining area, and basement; ceiling light and two duplex outlets in kitchen; one lighting outlet in bathroom, three duplex outlets in living room, and two

duplex outlets in each bedroom. Consideration shall be given to the future as well as the present needs for electrical service on the farm, in arranging for service entrance installation. The installation of all electrical work shall comply with all regulations applying to electrical installations in effect in the locality, or, in the absence of such regulations, in accordance with the National Electric Code or the Specifications for Farmstead Wiring by the Rural Electrification Administration, and the regulations of the power supplier furnishing the service.

(c) *Farm buildings.* Farm buildings shall be planned to meet the needs of the farm.

(1) *Structural requirements.* The requirements are the same as set forth in § 304.2 (b) (12), except that the exterior walls need not be weather tight for farm buildings that are used for purposes that do not require complete protection from the weather.

(2) *Water supply and plumbing.* Water supply and plumbing for farm buildings shall conform to the requirements as set forth in paragraph (b) (13) (i) and (ii) of this section.

(3) *Electrical.* Appropriate consideration shall be given to the present and future needs for electrical service. Where electrical installations are made, all electrical work shall comply with the standards set forth in paragraph (b) (15) of this section.

(Sec. 506 (a), 509 (a), 63 Stat. 435, 436; 42 U. S. C. 1476 (a), 1479 (a))

SUBPART B—PLANNING FARM DEVELOPMENT

DERIVATION: §§ 304.21 to 304.24 contained in FHA Instruction 424.12.

§ 304.21 General—(a) Definitions. For the purposes of the Farm Housing program, the following terms are defined:

(1) "Farm Housing development" means construction and land development planned under the Farm Housing program. The term "development" as used in this subpart includes the term "improvement."

(2) "Land development" means such items as fencing, clearing, leveling, terracing, drainage and irrigation systems, development of permanent pasture, woodlots and orchards, and applications of basic soil amendments and fertilizers in connection with permanent conservation practices.

(3) "Construction" means the erection, improvement, alteration, or repair of any building or structure, as well as the installation, repair of, or additions to, heating systems, electric systems, water systems for dwellings or farm buildings, and sewage disposal systems.

(4) "Contract" means a Form FHA-296, "Construction Contract," which has been completely filled out and duly signed by all parties thereto.

(b) *Authorized substitute for engineer.* The State Director, with the advice of the State Engineer, is authorized to delegate to any qualified and properly trained Farmers Home Administration employee, planning duties and functions of the Engineer, which they can do or can be trained to do effectively in cases involving minor items of development or

the use of approved standard plans. Whenever the term "Engineer" appears in the subpart, it will include his duly authorized substitute.

(Secs. 501 (a), 506 (a), 509 (a), 63 Stat. 432, 435, 436; 42 U. S. C. 1471 (a), 1476 (a), 1479 (a))

§ 304.22 Responsibilities for planning farm development—(a) *Responsibilities of the applicant.* (1) The applicant and his wife will decide upon the nature and extent of the work for which the Farm Housing assistance is requested, in consultation with the County Supervisor and the Engineer.

(2) When a new building is required, standard building plans will be made available to the applicant by the Farmers Home Administration, but special plans will not be provided to meet the needs and desires of each family. Minor modifications may be made in such standard plans to meet individual circumstances. The applicant may furnish at his own expense complete plans and specifications which may be utilized upon approval by the Engineer and State Director.

(3) The applicant should understand and agree to all work itemized on Form FHA-442, "Farm Housing Development Plan," with the understanding that revisions of the plan may be made upon approval of the Farmers Home Administration.

(b) *Responsibilities of the County Supervisor.* (1) The County Supervisor will be responsible for arranging and directing all meetings regarding farm housing development between the applicant and Farmers Home Administration personnel.

(2) The County Supervisor will make sure that the applicant and his wife have participated fully in, understand, and are in complete agreement with each item of work outlined on the Farm Housing Development Plan.

(c) *Responsibilities of the Engineer.* (1) The Engineer will render technical advice to the applicant and the County Supervisor and will furnish the necessary cost estimates, plans and specifications.

(2) The Engineer will decide matters pertaining to the compliance with minimum construction standards.

(Sec. 506 (a), 63 Stat. 435; 42 U. S. C. 1476 (a))

§ 304.23 Planning farm development—(a) *Form FHA-442, "Farm Housing Development Plan."* (1) Form FHA-442 will be used in planning Farm Housing development in connection with loans and grants, and completed by the Engineer and the County Supervisor. The Engineer will consult with the County Supervisor and the applicant regarding all proposed development work. Agreements should be reached on the extent of the work to be done and the methods for performing the work. The Engineer and the Supervisor will take into account the financial condition and desires of the applicant, minimum construction standards, the efficiency of labor to be used, and other pertinent factors.

(2) The Engineer will estimate the cash cost of providing each planned development item, taking into consideration the use of salvage and other available materials. No alterations or deletions will be made in the Engineer's cost estimates without the approval of the Engineer.

(3) The original of Form FHA-442 will be signed by the borrower and his wife, the County Supervisor, and the Engineer at the end of Part II. The State Field Representative is authorized to approve Form FHA-442 by signing at the end of Part II.

(Sec. 506 (a), 63 Stat. 435; 42 U. S. C. 1476 (a))

§ 304.24 Methods of performing farm development—(a) *Farm Housing development work.* Farm Housing development work will be planned for performance (1) by contract, (2) by or under the direction of the borrower, or (3) by a combination of both methods. The County Supervisor and Engineer will reach an understanding with the applicant as to the best method to be used in performing such work.

(b) *Work done by contract.* (1) Except for work to be accomplished by or under the direction of the borrower, all work will be done by qualified contractors. Every practicable effort should be made to perform construction work by contract when this method is applicable.

(2) Work performed under contract will be planned for completion as soon as practicable, but not later than 15 months after funds are advanced to the borrower.

(c) *Work done by or under direction of the borrower.* (1) Work may be performed by or under the direction of the borrower only when he possesses the necessary skill, desire, technical knowledge and managerial ability to complete the work satisfactorily.

(2) Work to be performed by or under the direction of the borrower will include only such work as he can satisfactorily complete, without interfering with his farming operations, within the first 15 months after funds are advanced to the borrower.

(Sec. 506 (a), 63 Stat. 435; 42 U. S. C. 1476 (a))

SUBPART C—PERFORMING FARM DEVELOPMENT

DERIVATION: §§ 304.41 to 304.46 contained in FHA Instruction 424.13.

§ 304.41 General—(a) *Methods of performance.* All farm housing development planned on Form FHA-442, "Farm Housing Development Plan," will be performed (1) by contract, (2) by or under the direction of the borrower, or (3) by a combination of the two methods.

(b) *Time limits.* Every effort will be made to complete all development performed by or under the direction of the borrower or by contract within 15 months after funds are advanced to the borrower.

(c) *Time of starting farm housing development.* All development will be started as soon as practicable after the loan or grant is closed. Before making commitments or starting any item of development, the County Supervisor and the borrower should be reasonably sure

that the item can be completed according to plans and specifications and within available funds.

(1) If it appears that any change is necessary in the plans and specifications for any item, the procedure for effecting changes on Form FHA-442, as provided in § 304.44, will be followed.

(2) When the loan or grant is approved, the State Director will notify the Engineer so that he may prepare any necessary plans, specifications, and instructions for the development work, as planned on Form FHA-442, in order that work may be started without delay as soon as the loan or grant is closed.

(d) *Extension of time for completing farm housing development.* Upon expiration of time limits, recorded in Part II of Form FHA-442; for completion of planned items of development, the County Supervisor will take the following action with respect to any planned items which have not been completed.

(1) The County Supervisor will discuss with the borrower the reasons why the work was not completed within the time limit and will reach an understanding as to when the work will be completed.

(2) For development items performed by or under the direction of the borrower, the extension of time will be accomplished by preparing Form FHA-924, "Request for Development Changes," in the following manner. Strike the references to Forms FHA-643 and FHA-556 and insert in lieu thereof Form FHA-442, "Farm Housing Development Plan." Each incompletely item will be identified on Form FHA-924 by the same "Item No." as appearing on Form FHA-442. The agreed upon extension of time for completion of each item will be recorded under "Description of Changes." The reasons why the construction was not completed as planned will be listed under "Justification."

(3) For development items being performed by contract, extensions of time will be granted only in accordance with the terms of Form FHA-296, "Construction Contract" (see paragraph 6 of Form FHA-296). Extensions of time for contract work will be processed on Form FHA-925, "Contract Change Order," in accordance with the provisions of § 304.44, and will become a supplement to the contract.

(e) *Real property insurance.* The County Supervisor will be responsible for ascertaining that all structures involving construction, regardless of the method of performance, are insured adequately at the proper time.

(f) *Use of supervised bank account.* The County Supervisor will explain clearly to the borrower the use of the supervised bank account in disbursing funds for development purposes.

(g) *Authorized substitute for engineer.* The State Director, with the advice of the State FO Engineer, is authorized to delegate to any qualified and properly trained Farmers Home Administration employee the duties and functions of the Engineer with respect to performing farm development, which other staff members can do or can be trained to do effectively. Whenever the term "Engi-

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neer" appears in this subpart, it shall include his authorized substitute.

§ 304.42 Development performed by or under the direction of the borrower. When Form FHA-442 indicates that farm housing development is to be performed by or under the direction of the borrower, he will (a) purchase the material and do the work, or (b) purchase the material and hire labor to do the work under his direction.

§ 304.43 Development performed by contract. Ordinarily, all of the farm development of a single farm to be accomplished by the contract method will be included in a single contract to one contractor. However, in those instances where it is plainly in the best interest of the borrower and the Government, the development on a single farm may be split into two or more separate contracts. When Form FHA-442 indicates that farm housing development is to be performed by contract, the following steps will be taken:

(a) *Preparation of bid docket.* The State Director will notify the Engineer when the loan or grant is closed. Upon receipt of such notice, the Engineer will transmit to the County Supervisor an appropriate number of bid dockets to be used by the bidders. Each docket will contain Form FHA-927, "Invitation for Bid," Form FHA-928, "Bid," Form FHA-296, "Construction Contract," and appropriate technical specifications and drawings. Appropriate entries will be made on Forms FHA-927, FHA-928, and FHA-296.

(1) *Selection of contractor.* Caution must be exercised in the selection of the contractor and no contractor will be awarded more contracts than he reasonably can be expected to perform.

(2) *Surety bonds.* (1) In cases where it has been determined by the Engineer that the provision in Form FHA-296 requiring the contractor to furnish surety bonds will prevent otherwise qualified local contractors from bidding on the work, the Engineer may waive this provision. Modification of Form FHA-296 to provide for the waiving of surety bond requirements shall be made by crossing out Item V, "Surety Bond" of the "General Conditions" and Item IV of the Contract and by adding the following notations under Item VII of the Contract: "Item V—Surety Bond of the General Conditions is deleted from this Contract. Item 4 of the Contract is deleted and the following substituted therefor: Payments will be made only in one lump sum for the whole contract after the work is finished, inspected and accepted, except for contracts covering more than one structure in which case, upon completion of any structure, partial payment will be made up to 80% of the contract price for that structure after final inspection and approval by the Engineer."

(ii) When a contractor bidding on a contract is required to furnish Form FHA-200, "Performance and Payment Bond," the bond will be obtained from a surety company legally doing business in the state.

(b) *Securing bids.* Each prospective bidder will be supplied with a bid docket,

together with appropriate instructions for bidding. The County Supervisor, with the assistance of the Engineer, will secure on Form FHA-928 bids from as many qualified contractors as practicable.

(c) *Bid opening.* Bids will be opened at the time and place designated in Form FHA-927. The borrower and the County Supervisor must be present, and, if practicable, the Engineer should be present when the bids are opened and tabulated.

(d) *Awarding the contract.* (1) The award will always be made by the borrower to the lowest responsible bidder after approval by the Engineer: *Provided, That:*

(i) All requirements of the closing instructions have been met.

(ii) The cost of any item does not exceed the estimate made for the same item on Form FHA-442, Part I, by more than ten percent. If the ten percent is exceeded, authority shall be required from the State Field Representative before making the award.

(iii) The total cost of all development items to be performed under the contract does not exceed the total estimated cost of such items as shown on Part I of Form FHA-442.

(2) If the Engineer is present at the opening of the bids, the award may be made immediately. If the Engineer is not present at the opening of the bids, the County Supervisor will forward all bids, together with his recommendations and the recommendations of the borrower, to the Engineer for review. The Engineer will return the bids, together with his written approval, disapproval, or recommendations, to the County Supervisor. When, in special cases, the Engineer deems it necessary, he also will prepare Form FHA-296. If he deems it advisable, he may request the advice of the representative of the Office of the Solicitor relative to the provisions which must be inserted in the Form before forwarding them to the County Supervisor.

(e) *Preparation of Form FHA-296 for signature.* Unless prepared previously by the Engineer, the County Supervisor will prepare Form FHA-296 after the award has been made. In instances in which the Engineer has authorized the waiver of the requirement with respect to surety bonds and the successful bidder will not be required to furnish such bonds, the County Supervisor will modify Form FHA-296 in accordance with paragraph (a) (2) of this section. The County Supervisor then will secure the required signatures of the contractor and the borrower.

(f) *Notice to proceed.* After the signatures have been secured on Form FHA-296, the County Supervisor will advise the borrower to issue notice to the contractor to proceed.

(g) *Subcontracts.* Contractors will not be permitted to enter into agreements with subcontractors for any development work until written consent is received by the County Supervisor from the Engineer. Before approval of any subcontract, the Engineer will determine that the subcontract contains the following provisions: (1) The subcontractors will comply with the terms of

Form FHA-296 entered into between the contractor and the owner, and (2) the contractor will have the same powers regarding the termination of the subcontract as the owner has with respect to Form FHA-296. Two copies of the executed subcontract will be furnished the County Supervisor by the contractor.

(h) *Pay rolls.* In compliance with the requirements of Form FHA-296 pertaining to the "Kickback Statute," the contractor and any subcontractor will submit each week to the County Supervisor one copy of their pay rolls for the previous week on Form FHA-173A, "Weekly Pay Roll." The statement of compliance with the "Kickback Statute," as stated on the back of Form FHA-173A, must be sworn to by the contractor or subcontractor as the case may be.

(Sec. 1, 62 Stat. 740, sec. 2, 48 Stat. 948, sec. 9, 54 Stat. 1236; 18 U. S. C. 874, 40 U. S. C. 276 (c); Reg. Sec. Labor 29 CFR, Cum. Supp., 3.3 (b), 3.4 (a))

§ 304.44 Changes in Form FHA-442. Changes in Form FHA-442 may be made at any time at the request of the borrower and with the consent of the State Field Representative or the County Supervisor by the use of Form FHA-924 or Form FHA-925. Form FHA-924 will be used when development is performed by or under the direction of the borrower. Form FHA-925 will be used when development is performed by contract.

(a) *Limitations.* The State Field Representative and the County Supervisor are authorized to approve changes in Form FHA-442, as specified in paragraphs (b) and (c) of this section: *Provided, That:*

(1) Such a change is for an authorized purpose.

(2) Such a change has been discussed with and approved in writing by the County Committee in the case of any basic change which affects substantially the method of operation of the farm or the Government's security.

(3) Sufficient funds have been deposited in the borrower's supervised bank account to cover the contemplated change when the change involves additional funds to be furnished by the borrower.

(4) The recommendation of the Engineer has been secured when a change in construction done by or under the direction of the borrower involves technical engineering.

(5) The recommendation of the Engineer has been secured when there is any change in construction done by contract.

(b) *Changes authorized by State Field Representative.* Subject to the limitations set forth in paragraph (a) of this section, the State Field Representative is authorized to approve changes which involve:

(1) Extension of time to complete work done under contract.

(2) Extension of time to complete work done by or under the direction of the borrower. Before granting such extensions of time a definite understanding must be reached that the work will be completed within the additional time allotted.

(3) Changes in method of performing development.

(4) Basic changes in the original Farm Housing Development Plan.

(5) Transfer of funds within or between development items when the cost of any item exceeds ten percent of the amount shown on Form FHA-442.

(c) *Changes authorized by the County Supervisor.* Subject to the limitations set forth in paragraph (a) of this section, the County Supervisor is authorized to approve minor changes in Form FHA-442 which do not require the approval of the State Field Representative. He also is authorized to approve changes which involve transfers of funds as follows:

(1) *Between farm development items.* Funds may be transferred between items to the extent necessary to meet the differences between estimated costs on Form FHA-442 and actual costs: *Provided*, That:

(i) No planned item on Form FHA-442 is omitted and no basic changes are made in the development plans upon which the advance was authorized.

(ii) Such transfers do not result in increasing or decreasing the funds for development in any item more than ten percent.

(2) *From unexpended service fee.* Ordinarily any unexpended amount of the service fee which will not be needed shall be applied as a refund on a loan. However, any such unexpended amount may be transferred to any one of the items of development to meet the difference between estimated costs on Form FHA-442 and actual costs.

(d) *Preparation of Form FHA-924 and Form FHA-925—(1) Approval by State Field Representative.* (1) Form FHA-924 requiring the approval of the State Field Representative will be prepared by striking the reference to Forms FHA-643 and FHA-556 and inserting in lieu thereof Form FHA-442, "Farm Housing Development Plan," and will be signed as follows: The borrower will sign as requesting the change; the Engineer will sign as recommending the change, if the nature of the change requires his recommendation; the County Supervisor will sign as recommending the change; and the State Field Representative will sign if he approves the change.

(ii) Form FHA-925 requiring the approval of the State Field Representative will be signed as follows: The borrower will sign as requesting the change; the contractor will sign as accepting the change; the Engineer will sign as recommending the change; the County Supervisor will sign as recommending the change; and the State Field Representative will sign if he approves the change.

(2) *Approval by County Supervisor.* (i) Form FHA-924 requiring the approval of the County Supervisor will be prepared by striking the reference to Forms FHA-643 and FHA-556 and inserting in lieu thereof Form FHA-442, "Farm Housing Development Plan," and will be signed as follows: The borrower will sign as requesting the change; the Engineer will sign as recommending the change, if the nature of the change requires his recommendation; and the County Supervisor will sign if he approves the change.

(ii) Form FHA-925 requiring the approval of the County Supervisor will be signed as follows: The borrower will sign as requesting the change; the contractor will sign as accepting the change; the Engineer will sign as recommending the change; the County Supervisor will sign if he approves the change.

§ 304.45 Inspections—(a) Work done by or under the direction of the borrower—(1) Periodic inspections. The County Supervisor will make periodic inspections of all development work in progress. The inspection and acceptance of material as delivered to the site and the storage of material will be the responsibility of the borrower. The County Supervisor will advise the borrower of these responsibilities. The Engineer also will make such additional inspections as the nature and character of the work may require.

(2) *Final inspections.* The County Supervisor will make a final inspection of the work promptly after all such development has been completed, provided that no construction item has exceeded a cash cost of \$500. If any construction item exceeds a cash cost of \$500, the Engineer will make the final inspection. When all development performed by or under the direction of the borrower has been completed and the Engineer's inspection is required, the County Supervisor will notify the Engineer in writing. At the earliest feasible date after such notification, the Engineer will make a final inspection of all development items not covered by a previous inspection.

(b) *Work done by contract—(1) Periodic inspections.* As the work proceeds, the Engineer will make necessary periodic inspections to determine whether the work conforms with plans, specifications, and change orders, and whether the contractor is complying with other provisions of Form FHA-296.

(i) When adverse conditions involving plans, specifications, change orders, or labor provisions are found at the time of inspection by the Engineer, he will request the contractor in writing to correct such adverse conditions in conformance with the contract. A copy of this request will be sent to the County Supervisor who will endeavor to have the contractor comply with the Engineer's request. If the County Supervisor cannot secure compliance, he will report the facts to the State Director who will determine the action to be taken.

(ii) The County Supervisor will make such periodic inspections as he and the Engineer agree upon. After each inspection, the County Supervisor will report his findings to the Engineer in writing and place one copy of the report in the borrower's County Office case file.

(2) *Final inspections.* The Engineer will make a final inspection as soon as possible after the County Supervisor advises him that the contract work has been completed.

(c) *Use of Form FHA-926, "Certificate of Final Inspection."* All final inspections of development work performed by or under the direction of the borrower or by contract will be reported on Form FHA-926. The official making the final

inspection shall include recommendations for correcting any discrepancies.

§ 304.46 Payments—(a) Work done by or under the direction of the borrower—(1) Payment of laborers and material suppliers. The County Supervisor will encourage borrowers to pay obligations promptly. Payment of bills for labor and material will be made as soon as practicable after the bills are received and will be made by check signed by the borrower and countersigned by the County Supervisor.

(i) The County Supervisor will have in his possession itemized statements from the creditor covering material furnished and/or labor performed before countersigning checks. Such statements will be signed by the borrower as correct and received. Statements covering labor will show the names of persons hired, dates they worked, number of hours (or days) worked, total hours (or days) worked, rate per hour (or day) and total amount due. The check number and the date of payment will be indicated on all invoices and hired labor statements.

(ii) Whenever the County Supervisor has reason to believe that there may be danger of claims, because of disputes, dissatisfaction, or other causes, he will require the borrower to secure one copy of Form FHA-205 "Release by Claimants," before countersigning the check for final payment. It is not necessary to have Form FHA-205 notarized when used in this manner. The State Director, at his discretion, may require the use of Form FHA-205 in all instances.

(iii) Under no circumstances will the County Supervisor permit funds to be withdrawn from a borrower's supervised bank account to pay the borrower for labor performed by himself on his farm.

(b) *Work done by contract—(1) Payment of contractors.* When Form FHA-200 is not used, payment will be made by check signed by the borrower and countersigned by the County Supervisor and in the following manner:

(i) In one lump sum for the whole contract after the work is finished, inspected, and accepted. This payment will be made only after the contractor has executed Form FHA-232, (Form Letter—Certificate of Contractor's Release), in which he (a) acknowledges payment in full for his services, (b) certifies that he has paid for all labor employed and materials purchased by him in performance of his contract, and (c) certifies that there are no claims against him because of injuries sustained by his employees. The contractor will attach to Form FHA-232 a completed Form FHA-205, notarized properly.

(ii) Upon completion of any major item, partial payments may be made up to 80 percent of the contract price of that item upon final inspection and approval by the Engineer. When this method is used, payment will be made only when the applicable provisions of the previous paragraph have been met with respect to the completed major item. Form FHA-232 will be signed by the contractor and will indicate only the amount of payment received, which will not be in excess of the 80 percent permissible. When Form FHA-232 is to be used in this manner, as a receipt for

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partial payments, it will be rewritten with the necessary changes. Final payment shall be made on all items only after the contractor complies with the requirements of subdivision (1) of this subparagraph.

(ii) When a separate contract is awarded for the furnishing of material only, one payment will be made by check signed by the borrower and countersigned by the County Supervisor for the entire amount of the material contract price. The check for this payment will not be issued until (a) the Engineer has reported in writing that he has inspected the material delivered under the contract and finds it acceptable, (b) the borrower has signed the itemized statement of material as correct and received, and (c) the contractor has signed Form FHA-232, and has attached completed Form FHA-205, notarized properly. The County Supervisor will advise the borrower to store properly and care for all material delivered under the contract.

(2) When Form FHA-200 is used, partial payments may be made after the Engineer has inspected the work and has indicated in writing that all of the terms of the contract are being complied with. The percentage of completion and the maximum payment will be determined by the Engineer. Final payment will be made to a contractor only when the work is finished, inspected, and accepted by the Engineer, at which time the entire amount will be due and payable. When Form FHA-200 is used, Form FHA-232 will be required of the contractor only to acknowledge payment in full. Form FHA-205 will not be required.

(3) Circumvention of the above methods of payment through modification of Form FHA-296 by inclusion of special conditions, or any other device whatsoever, expressly is prohibited.

PART 305—PROCESSING LOANS AND GRANTS

SUBPART A—COUNTY OFFICE ROUTINE

Sec.	
305.1	Execution and preparation of forms.
305.2	Title evidence.
305.3	Action by State Field Representative.
305.4	Cancellation of loan or grant.
305.5	Closing of a loan.
305.6	Closing of a section 504 grant (without loan).

AUTHORITY: §§ 305.1 to 305.6 issued under sec. 510 (g), 63 Stat. 438; 42 U. S. C. 1480 (g). Statutory provisions interpreted or applied are cited to text in parentheses.

SUBPART A—COUNTY OFFICE ROUTINE

DERIVATION: §§ 305.1 to 305.6 contained in FHA Instruction 443.11.

§ 305.1 *Execution and preparation of forms*—(a) Form FHA-438, "Farm Housing Voucher." The type of advance (section 502 loan, section 503 loan, section 504 loan, section 504 loan and grant, or section 504 grant) will be checked in the appropriate block. The applicant will sign the original of Form FHA-438 in the space provided, and his name will be typed below his signature. In certain states, the wife will also sign if the County Supervisor has been so instructed by the State Office. The applicant certifies on this form that he is the

owner of a farm without adequate housing and other farm buildings; he is without sufficient resources to provide improvements on his own account; and he cannot secure credit from other sources on conditions he can reasonably fulfill.

(b) Form FHA-441, "Farm Housing Promissory Note." The date of the promissory note, the amount of the first installment, the year in which the first installment will become due, and the signatures of the applicant and his wife will not be entered until the time of loan closing. The remainder of the Form, including typing the borrower's name and post-office address, and typing the names of the borrower and his wife below the place for their signatures, will be completed by the County Supervisor prior to the time the docket is submitted to the State Field Representative. The number of "succeeding installments" to be inserted will be one less than the number of years over which the loan is to be repaid. The amount of each of the "succeeding installments" to be inserted will be computed by multiplying the amount of the loan by the amortization factor for the number of years over which the loan is amortized. (In the states of Delaware, New Jersey, New York, and Pennsylvania, Form FHA-441A, "Bond," is used in place of Form FHA-441.)

(c) Form FHA-14, "Farm and Home Plan," and Form FHA-14C, "Long-Time Farm and Home Plan." Forms FHA-14 and FHA-14C are required only in connection with a section 503 loan.

(d) Form FHA-188A, "Option for Purchase of Farm." In connection with a section 503 loan or a section 504 loan which involves the purchase of land, the option will be taken on Form FHA-188A prior to the time the services of the appraiser are requested. When preparing the option strike the words "Title I of the Bankhead-Jones Farm Tenant Act, as amended," in the third and fourth lines of paragraph 2 and insert in lieu thereof "Title V of the Housing Act of 1949." The option need not be submitted to the State Office for preliminary review unless the County Supervisor determines that such a review is advisable. The County Supervisor will not advise the applicant to accept the option until the loan check is received in the County Office.

(e) Form FHA-441B, "Farm Housing Supplementary Payment Agreement." When repayment of a loan is dependent primarily upon wages or other off-farm income or farm income received at frequent intervals throughout the year, the County Supervisor may, when he or the State Field Representative consider it advisable, have the borrower execute Form FHA-441B. If the income is available uniformly throughout the year, monthly payments may be desirable. If the income is seasonal, payments for the months during which such income will be available may be provided.

(1) The sum of payments to be made during a year as specified on Form FHA-441B may be less than an annual installment of the loan. In such cases, the unpaid balance of the annual installment will be due on December 31.

(2) Form FHA-441B may be made to cover a limited number of years when

this is considered desirable by the County Supervisor or the State Field Representative.

(3) The date of the agreement, the date of the note, and the signatures of the applicant and his wife will not be entered on Form FHA-441B until the time of loan closing. The remainder of the Form will be completed prior to the time the docket is submitted to the State Field Representative. A conformed copy of Form FHA-441B will be given to the borrower, at the time of loan closing.

(4) If at any time it appears advisable to modify the existing Form FHA-441B, a new Form FHA-441B may, upon approval of the State Field Representative, be executed and substituted for the existing agreement.

(5) If at any time it appears advisable to terminate the existing Form FHA-441B, without substituting another Form FHA-441B, this may be accomplished by a letter from the State Field Representative to the County Supervisor.

(f) Form FHA-441C, "Farm Housing Contribution Agreement." Form FHA-441C will be prepared for each section 503 loan. The date of the agreement, the date of the note, and the signatures of the applicant, his wife, and the County Supervisor will not be entered until the time of loan closing. The remainder of the Form will be completed prior to the time the docket is submitted to the State Field Representative. At the time of loan closing, a signed conformed copy of Form FHA-441C will be given to the borrower.

(g) Form FHA-446, "Non-Disturbance Agreement." Form FHA-446 will be used only in connection with those section 503 loans for which the County Supervisor or the State Field Representative consider it advisable to obtain this additional assurance that the applicant is likely to retain ownership of his farm. When Form FHA-446 is used, the County Supervisor ordinarily will have the existing mortgage holder execute the Form prior to the time the docket is submitted to the State Field Representative. In some cases, when Form FHA-446 is not submitted, the State Field Representative may, before approving a section 503 loan, request that the existing mortgage holder execute the Form. The mortgage holder will execute the original, and a conformed copy will be given to him. The original signed copy will be recorded at the expense of the borrower at the time of loan closing.

(Secs. 501 (c), 502 (b), 503, 63 Stat. 433, 434; 42 U. S. C. 1471 (c), 1472 (b), 1473)

§ 305.2 *Title evidence.* (a) Each applicant for Farm Housing assistance will be required to furnish a copy of his deed or purchase contract and also copies of any liens existing on the property. If the applicant has an abstract of title, he may submit it in addition to such deed or contract and liens. Any cost of obtaining these documents must be paid by the applicant. Ordinarily, he will be requested to furnish them so that they will be available in connection with the preparation of Form FHA-443A, "Report on Farm Housing Application." The documents will be returned to the applicant at the time of loan closing.

(b) When any Farm Housing loan has been recommended by the County Committee on Form FHA-439, "County Committee Recommendations," the applicant will be required to furnish and pay for title evidence which may be prepared by an attorney, abstractor, or title insurance company approved by the representative of the Office of the Solicitor. The title evidence furnished by the applicant will be, as provided in a State Instruction issued pursuant to paragraph (d) of this section, one of the following:

(1) A certificate of title prepared by a local practicing attorney, which will state that he has searched the records for a period of 20 years or the period subsequent to the last title transfer of record, whichever is longer, except that if there is a conveyance of the property from the Government in the chain of title, it will only be necessary to search the records for the period subsequent to the conveyance. The certificate will set forth the condition of the title of the applicant to the land as disclosed by such examination and will include among other things the legal description of the land, the manner in which the applicant acquired title to the land, and a listing of all unreleased mortgages, unpaid taxes, other encumbrances, pending suits, leases, easements, and any other outstanding interests.

(2) An abstract of title prepared by a practicing attorney or abstractor or abstracting company covering a period of 20 years or the period subsequent to the last title transfer of record, whichever is longer, except that if there is a conveyance of the property from the Government in the chain of title, it will only be necessary to search the records for the period subsequent to the conveyance. The abstract shall include conveyances, unreleased mortgages, unpaid taxes, and other liens, pending suits, leases, easements, and outstanding interests. In case of a foreclosure, only the trustee's or sheriff's deed, with a notation of any pending litigation, will be required. In case of probate proceedings, sufficient evidence will be required to show conveyance of title.

(3) A certificate of title or policy of insurance from a title insurance company covering the same information as required in subparagraph (1) of this paragraph.

(c) The applicant will be advised that:

(1) Farm Housing loan funds may be used to pay the costs of obtaining title evidence unless the applicant has paid for the same from personal funds prior to the date of loan closing.

(2) Title evidence must be acceptable to the representative of the Office of the Solicitor.

(3) If the title evidence shows unreleased liens of record which the applicant did not previously report, the applicant will be required to submit copies of such liens unless he reports that they have been paid. If the applicant states that such liens have been paid, the County Supervisor will require the applicant to have the liens released of record, and will make a notation on the title evidence as to when such liens are released.

(d) The State Director, with the assistance of the representative of the Office of the Solicitor, will issue a State Instruction supplementing this section regarding acceptable title evidence for that State, and will also advise each County Supervisor as to the attorneys, abstractors, or title insurance companies in the county that are approved for the preparation of title evidence for Farm Housing loans.

(e) In case a Farm Housing loan includes funds for enlargement purposes, the seller will be required to furnish title evidence in accordance with paragraph (b) of this section.

(f) In case of a section 504 grant (without loan), the County Supervisor will check the public records to verify that the applicant is the owner of the farm. No other title evidence will be required in case of a section 504 grant (without loan).

(g) Arrangements should be made for the same attorney, abstractor, or title insurance company which provided the preliminary title evidence to cooperate in closing the loan and to give a final opinion, certificate, or policy of insurance, at the expense of the applicant. The final opinion, certificate, or policy will show, among other things, that the mortgage securing the Farm Housing loan has been properly filed for record (and, in case of an enlargement loan, that the deed has been properly executed and filed for record) and that there are no intervening liens.

(Sec. 502 (b), 63 Stat. 433; 42 U. S. C. 1472 (b))

§ 305.3 Action by State Field Representative. The State Field Representative is hereby authorized to approve or disapprove Farm Housing loans and grants in accordance with Farmers Home Administration procedures. The State Director also is authorized to approve or disapprove Farm Housing loans and grants in accordance with such procedures.

(Sec. 501 (a), 63 Stat. 432; 42 U. S. C. 1471 (a))

§ 305.4 Cancellation of loan or grant. If the check for Farm Housing assistance has been deposited in the borrower's supervised bank account and no funds disbursed prior to the time the borrower requests cancellation, the borrower may cancel the loan or grant by remitting a check payable to the Treasurer of the United States and countersigned by the County Supervisor. No interest will be charged in a case of this kind. When the original of Form FHA-441 stamped "Cancelled" is received in the County Office, it will be returned to the borrower.

§ 305.5 Closing of a loan. (a) No Farm Housing loan will be closed until closing instructions, Form FHA-441, "Promissory Note," the mortgage, and, in the case of a section 503 loan, Form FHA-441C, "Farm Housing Contribution Agreement," have been received from the representative of the Office of the Solicitor. If land purchase is involved, the County Supervisor, upon re-

ceipt of these documents, will prepare the option acceptance letter, Form FHA-191, "Acceptance of Option," which will be signed by the applicant as "Buyer" and by his wife if she is named in the option, and delivered to the seller.

(b) The borrower's check for the loan will be issued to the borrower in care of the County Supervisor, and when received and indorsed by borrower will be deposited in a supervised bank account.

(c) At the time of loan closing, the date of the note, the amount of the first installment, and the year in which the first installment will be due will be inserted on Form FHA-441, "Promissory Note."

(1) The date of the note will be the same as the date of the loan check.

(2) The amount of the first installment will be an amount equivalent to the interest that will accrue on the loan from the date of the note to the next succeeding December 31. This amount must be computed correctly.

(3) The date of the first installment will be the first December 31 following the date of the check.

(4) The borrower and his wife will sign Form FHA-441 exactly as their signatures are typed on the Form.

(d) Whenever Forms FHA-441B or FHA-441C are applicable, they will be completed at the time of loan closing and signed by the borrower and his wife exactly as their signatures appear on Form FHA-441.

(e) When there are insurable buildings on the farm, the County Supervisor will at the time of loan closing send to the State Office either a copy of the insurance policy submitted by the borrower, together with a properly executed mortgage clause, or Form FHA-42, "Valuation Report for Insurance," with the borrower's check for the premium.

(f) For purposes of the Farm Housing program, a loan is considered closed when the mortgage is filed for record. When the mortgage is recorded, a conformed copy will be delivered to the borrower.

(Secs. 502 (b), 503, 504 (b), 63 Stat. 433, 434; 42 U. S. C. 1472 (b), 1473, 1474 (b))

§ 305.6 Closing of a section 504 grant (without loan). Closing instructions from the representative of the Office of the Solicitor are not required for grants. Upon receipt of a grant check from the Area Finance Office, the County Supervisor will have the applicant endorse the check for deposit in the borrower's supervised bank account. The grant will be considered closed when the funds are deposited in the borrower's supervised bank account.

(Sec. 504 (a), 63 Stat. 434; 42 U. S. C. 1474 (a))

[SEAL] DILLARD B. LASSETER,
Administrator,
Farmers Home Administration.

OCTOBER 14, 1949.

Approved: October 24, 1949.

CHARLES F. BRANNAN,
Secretary of Agriculture.

[F. R. Doc. 49-3614; Filed, Oct. 26, 1949;
8:47 a. m.]

RULES AND REGULATIONS

Subchapter E—Account Servicing

PART 362—REMITTANCES

SUBPART A—COLLECTIONS

Subpart A of Part 362 in Title 6, Code of Federal Regulations (13 F. R. 9442), is amended to read as follows:

SUBPART A—COLLECTIONS

Sec.	
362.1	General.
362.2	Authority.
362.3	Application of repayments on operating loan accounts.
362.4	Receipts.

AUTHORITY: §§ 362.1 to 362.4 issued under secs. 6 (3), 41 (1), 50 Stat. 870, 529, 60 Stat. 1066; 7 U. S. C. 1015 (1), 16 U. S. C. 590w (3). Interpret and apply secs. 6 (3), 41 (h), 50 Stat. 870, 529, 60 Stat. 1066; 7 U. S. C. 1015 (h), 16 U. S. C. 590w (3).

DERIVATION: §§ 362.1 to 362.4 contained in FHA Instruction 452.1.

§ 362.1 General. (a) All collection items, such as checks, money orders, and postal notes will be made payable to the Treasurer of the United States, regardless of the accounts to which such collection items will be applied. All collection items in any form other than currency are accepted subject to collection, that is, subject to the items being paid. Postdated checks will not be accepted for repayment on indebtedness due the Farmers Home Administration. When such checks are received they will be returned immediately to the remitter.

(b) Collection items containing restrictive endorsements or notations which will not permit such items to be processed and applied to accounts in accordance with instructions contained in §§ 362.1 to 362.4 will be returned to the remitters by the Farmers Home Administration official receiving such items with a request that such notations be withdrawn. However, items containing restrictive endorsements or notations not affecting the handling thereof, such as "payment in full," when the amount thereof does in fact pay the account in full, as provided in §§ 362.1 to 362.3, will be accepted and processed.

(c) In order to expedite the application of collections to insured Farm Ownership loans, insured loan borrowers should be advised to make payments on such loans by cash, postal money orders, postal notes, certified checks, cashier's checks or bank drafts. If a personal check is submitted, payment will not be made to the lender until the check has cleared.

(d) The provisions of §§ 362.1 to 362.4 are applicable also to State Office employees, including Special Collection Officers, who are authorized to receive collections.

§ 362.2 Authority. Employees who are bonded are authorized to receive, receipt for, and transmit collections.

§ 362.3 Application of repayments on operating loan accounts. (a) Employees receiving repayments will select, in accordance with the provisions of this section, the account or accounts to which such repayments will be applied. Except for Emergency Crop and Feed Loan accounts, such employees will make application first to the unpaid interest on the

selected account or accounts, as shown on Form FHA-646, "Statement of Account," and then to the unpaid principal on such account or accounts. For Emergency Crop and Feed Loan accounts, the Area Finance Office will make application between principal and interest. Loan refunds will be applied to principal only. When a large amount of unpaid interest has accumulated and the borrower requests in writing that his payment be applied to principal first, stating that he will make the payment only if his request is granted, employees authorized to receive collections are authorized to make exceptions to the policy of applying repayments to interest first.

(b) Repayments, regardless of source, will be applied first to any recoverable costs which have been charged to the borrower's account, after which the following rules will govern the selection of accounts and installments to which repayments will be applied.

(1) Repayments derived from the sale of mortgaged property representing normal income will be applied first to the current maturity(ies) and the balance of the remittance, if any, will be applied in the following order:

(i) To accounts with small balances for the purpose of removing such accounts from the records.

(ii) To accounts having the oldest delinquencies, or if no delinquencies, to the oldest unpaid account.

(2) Repayments derived from the sale of basic security which are to be applied to principal will be applied to the final unpaid installment(s) on the account secured by the earliest mortgage covering such basic security.

(3) Unused balances of loan advances will be applied to the final unpaid installment(s) on the note which evidences such advance, except that when such partial refund represents an advance for current farm and home expenses repayable within the year, it may be applied to the first unpaid installment on such note. When the amount of the refund is large, it may be prorated to more than one installment, if circumstances justify.

(4) Total refunds of loan advances will be applied to the notes which evidence such advances.

(5) In applying repayments from sources other than those in subparagraphs (1), (2), (3), and (4) of this paragraph, the borrower has the right of election as to the account(s) on which such repayments will be applied. In the absence of the borrower's election, such repayments generally will be applied in the following order:

(i) To accounts with small balances.

(ii) To accounts with oldest delinquencies.

(iii) To accounts with the oldest unsecured note(s).

(iv) To accounts with the oldest secured note(s).

(6) When a borrower owes both Farmers Home Administration and State Rural Rehabilitation Corporation Loan accounts, repayments described in subparagraph (5) of this paragraph and balances remaining after repayments are made under subparagraphs (1) and (2) of this paragraph will be prorated

between Farmers Home Administration and the Corporation on the basis of the total balances (including principal and interest) owed to each, and the portions thus prorated will be applied respectively to the Farmers Home Administration and Corporation loan accounts as prescribed in subparagraph (5) of this paragraph.

(7) When the Government has advanced funds to complete State Rural Rehabilitation commitments (such accounts now coded as 6F—accounts), any repayment that normally would be applied to any of the borrower's Corporation accounts will be applied to 6F—account until it is paid.

(8) Application of repayments to notes within loan type accounts will be made in accordance with the general rules set forth in subparagraph (1) of this paragraph.

§ 362.4 Receipts. (a) Form FHA-37, "Receipt for Payment," is the only form of receipt to be used for collections on accounts and for loan refunds.

(b) The receipt will be prepared and dated on the day the collection is received. Exception to this rule will be made only for checks received by the Farmers Home Administration from the United States Treasury Disbursing Office as a result of set-offs or collection items received through the Department of Justice, in which cases the date of the receipt will be the same as the date of the item.

(c) The receipt will be issued only for the amount of funds actually received.

(d) Form FHA-37 will not be used to acknowledge the receipt of loan checks returned by borrowers.

[SEAL] DILLARD B. LASSETER,
Administrator,
Farmers Home Administration.

OCTOBER 17, 1949.

Approved: October 24, 1949.

CHARLES F. BRANNAN,
Secretary of Agriculture.

[F. R. Doc. 49-8616; Filed, Oct. 26, 1949;
9:02 a. m.]

Chapter IV—Production and Marketing Administration and Commodity Credit Corporation, Department of Agriculture

Subchapter C—Loans, Purchases, and Other Operations

PART 648—POTATOES, IRISH

SUBPART—PRICE SUPPORT IN CALIFORNIA (EXCEPT MODOC AND SISKIYOU COUNTIES)

1. The failure of handlers of not less than 50 percent of the volume of Irish potatoes harvested and prepared for market in the State of California (not including Modoc and Siskiyou Counties) during the period April 1—July 15, both dates inclusive, to sign a marketing agreement (14 F. R. 3239) tends to prevent the effectuation of the declared policy of the Agricultural Marketing Agreement Act of 1937, as amended (7

U. S. C. 601 et seq.) with respect to such potatoes, and the issuance of a marketing order is the only practical means of advancing the interest of the producers of such potatoes pursuant to such policy.

2. Because the issuance of proposed Marketing Order No. 90, regulating the handling of the aforesaid potatoes was not approved or favored by the requisite percentage of producers, by number or volume, as required by the Agricultural Marketing Agreement Act of 1937, as amended, voting in a referendum duly held thereon (14 F. R. 3243), such marketing order cannot be made effective, as announced in the "Findings and Determinations on Results of Referendum on Proposed Marketing Order No. 90," (14 F. R. 5434), and the benefits of the said act by way of regulations and practices with reference to shipment of particular grades and sizes and establishment of minimum standards of quality of Irish potatoes, as defined in said proposed Order No. 90, cannot be made available to the growers thereof and, accordingly, not compliance with such regulations and practices in aid of price support can be had.

3. Under these circumstances the following determination is made:

§ 648.151 Refusal of price support. In view of § 648.119 of the 1949 Irish Potato Price Support Purchase Program (14 F. R. 3273, 3277), providing in effect that if the Department of Agriculture determines that a marketing agreement and order program is feasible in a given area, eligibility for price support in that area may be conditioned upon the approval by growers of a marketing order program and the continuation of such program in effect, it is hereby determined that the Department of Agriculture will not make price support available to growers of Irish potatoes harvested and prepared for market in the State of California (not including Modoc and Siskiyou Counties) during the period April 1-July 15, both dates inclusive, in 1950 and in subsequent years in which such condition of eligibility is in effect.

(Sec. 4 (d), Pub. Law 806, 80th Cong. Interpret or apply secs. 4 (g), (1), 5 (a), Pub. Law 806, 80th Cong., sec. 1, Pub. Law 897, 80th Cong.)

Dated: October 24, 1949.

[SEAL] CHARLES F. BRANNAN,
Secretary of Agriculture.

[F. R. Doc. 49-8591; Filed, Oct. 26, 1949;
8:46 a. m.]

TITLE 7—AGRICULTURE

Chapter III—Bureau of Entomology and Plant Quarantine, Department of Agriculture

[B. E. P. Q. 582]

PART 319—FOREIGN QUARANTINE NOTICES ADMINISTRATIVE INSTRUCTIONS RESTRICTING ISSUANCE OF PERMITS FOR IMPORTATION OF CITRUS SEEDS UNDER NURSERY STOCK, PLANT, AND SEED QUARANTINE REGULATION

On October 1, 1949, notice of proposed issuance of administrative instructions to

be designated as 7 CFR 319.37-24a relating to restrictions on the importation of citrus seeds was published in the FEDERAL REGISTER (14 F. R. 5999). After due consideration of all relevant matters presented, including the proposals set forth in the aforesaid notice, the Chief of the Bureau of Entomology and Plant Quarantine, pursuant to § 319.37-24 of the regulations supplemental to the quarantine relating to nursery stock, plants, and seeds for importation into the United States (Regulation 24, Notice of Quarantine No. 37; 7 CFR 319.37-24), hereby issues administrative instructions to appear as § 319.37-24a in Title 7, Code of Federal Regulations, as follows:

§ 319.37-24a Administrative instructions restricting issuance of permits for the importation of citrus seeds. In accordance with § 319.37-24 of the regulations supplemental to the quarantine relating to nursery stock, plants, and seeds for importation into the United States (Regulation 24, Notice of Quarantine No. 37; 7 CFR 319.37-24), the Chief of the Bureau of Entomology and Plant Quarantine has determined that the Plant Commissioner of the State Plant Board of Florida has taken action to suppress citrus canker (*Xanthomonas citri* (Hasse) Dowson), quick decline, and other dangerous diseases affecting citrus, and has promulgated as Rule 28 of rules and regulations made by the State Plant Board pursuant to the Florida Plant Act of 1927, effective March 31, 1947, a plant quarantine prohibiting the entry into Florida in interstate commerce of any and all kinds of citrus trees and parts thereof, including, among other parts, citrus seeds, with certain exceptions not applicable to the movement of such seeds. Further, the Plant Commissioner of the State Plant Board of Florida has requested that the United States Department of Agriculture cooperate in connection with such quarantine by prohibiting the importation into Florida from all foreign countries of citrus seeds. Under authority conferred upon the Chief of the Bureau of Entomology and Plant Quarantine by § 319.37-24: *It is hereby ordered*, That permits will be issued for the importation of citrus seeds from any foreign country only if such seeds are to be imported into a place within the United States other than the State of Florida.

The purpose of these administrative instructions is to cooperate with the State of Florida by restricting the importation from all foreign countries of citrus seeds in furtherance of action already taken by that State to suppress the types of pests that might be imported with such seeds.

This section shall be effective on and after November 28, 1949.

(Secs. 1, 5, 8, 37 Stat. 315, 316, 318 as amended; 7 U. S. C. 154, 159, 161; 7 CFR 319.37-24)

Done at Washington, D. C., this 20th day of October 1949.

[SEAL] P. N. ANNAND,
Chief, Bureau of Entomology
and Plant Quarantine.

[F. R. Doc. 49-8590; Filed, Oct. 26, 1949;
8:46 a. m.]

Chapter IX—Production and Marketing Administration (Marketing Agreements and Orders), Department of Agriculture

PART 960—IRISH POTATOES GROWN IN MICHIGAN, WISCONSIN, MINNESOTA, AND NORTH DAKOTA

LIMITATION OF SHIPMENTS

§ 960.308 Limitation of shipments—
(a) **Findings.** (1) Pursuant to Marketing Order No. 60 (7 CFR 960.3 et seq.) regulating the handling of Irish potatoes grown in the States of Michigan, Wisconsin, Minnesota, and North Dakota, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.), and upon the basis of the recommendation and information submitted by the North Central Potato Committee established under said marketing order, and other available information, it is hereby found that such limitation of shipments of potatoes as hereinafter provided will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule making procedure, and postpone the effective date of this section until 30 days after publication thereof in the FEDERAL REGISTER (5 U. S. C. 1001 et seq.) in that (i) the time intervening between the date when information upon which this section is based became available and the time when such section must become effective in order to effectuate the declared policy of the act is insufficient, (ii) shipments of potatoes from the production area have already begun, (iii) compliance with this section will not require any special preparation on the part of handlers which cannot be completed by the effective date hereof, and (iv) a reasonable time is permitted, under the circumstances, for such preparation.

(b) **Order.** (1) During the period beginning on October 31, 1949, and ending June 30, 1950, both dates inclusive, no handler shall ship any potatoes grown in the area defined in Order No. 60, unless such potatoes meet the requirements of U. S. Commercial or better grade and are not less than 1 1/8 inches in diameter, as such grades and sizes (including tolerances) are defined in the U. S. Standards for Potatoes, except that potatoes of the Irish Cobbler variety which do not meet the requirements of the aforesaid U. S. Commercial or better grade only because of serious damage due to hollow heart shall not be prohibited from shipment under the terms and provisions hereof.

(2) This section supersedes the order issued on September 1, 1949 (F. R. Doc. 49-7211; 14 F. R. 5485), and the terms

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used in this section shall have the same meaning as when used in Marketing Order No. 60, and in the U. S. Standards for Potatoes (14 F. R. 1955, 2161).

(48 Stat. 31, as amended; 7 U. S. C. 601 et seq.)

Done at Washington, D. C., this 24th day of October 1949.

[SEAL] S. R. SMITH,
Director, Fruit and Vegetable
Branch, Production and Mar-
keting Administration.

[F. R. Doc. 49-8592; Filed, Oct. 26, 1949;
8:46 a. m.]

**PART 992—HANDLING OF IRISH POTATOES
GROWN IN THE STATE OF WASHINGTON**

LIMITATION OF SHIPMENTS

§ 992.301 Limitation of shipments—
(a) *Findings.* (1) Pursuant to Marketing Agreement No. 113 and Order No. 92 (14 F. R. 5860), regulating the handling of Irish potatoes grown in the State of Washington, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.), and upon the basis of the recommendation and information submitted by the State of Washington Potato Committee, established under said marketing agreement and order, and other available information, it is hereby found that (i) the order hereinafter set forth grants relief from § 992.300 *Limitation of shipments* (14 F. R. 6112), issued pursuant to § 992.4; (ii) the issuance of such relief is in accordance with § 992.5, and (iii) the aforesaid *Limitation of shipments* (§ 992.300) with the relief granted by the order hereinafter set forth, will tend to effectuate the declared policy of the act.

(2) It is hereby found that it is impracticable and contrary to the public interest to give preliminary notice and engage in public rule-making procedure (5 U. S. C. 1001 et seq.), in that: (i) Shipments of potatoes from the production area have already begun; (ii) more orderly marketing in the public interest than would otherwise prevail will be promoted by the relief granted by the order hereinafter set forth; (iii) the time intervening between the date information necessary for the issuance of such order became available and the time such order must become effective to effectuate the declared policy of the act is insufficient; and (iv) a reasonable time is permitted, under such circumstances, for preparation for the effective date of such order.

(b) *Order.* (1) During the period ending May 31, 1950, the Limitation of Shipments Order issued on October 5, 1949 (§ 992.300; F. R. Doc. 49-8118; 14 F. R. 6112), shall not be applicable to shipments of officially certified seed potatoes: *Provided*, That each handler making shipments for the aforesaid purpose shall file an application with the committee to do so and pay assessments in connection therewith.

(2) The terms used in this section shall have the same meaning as when used in Marketing Agreement No. 113 and Order No. 92 (14 F. R. 5860).

(48 Stat. 31, as amended; 7 U. S. C. 601 et seq.)

Done at Washington, D. C., this 24th day of October 1949.

[SEAL] S. R. SMITH,
Director, Fruit and Vegetable
Branch, Production and Mar-
keting Administration.

[F. R. Doc. 49-8593; Filed, Oct. 26, 1949;
8:46 a. m.]

TITLE 19—CUSTOMS DUTIES

**Chapter I—Bureau of Customs,
Department of the Treasury**

[T. D. 52332]

**PART 10—ARTICLES CONDITIONALLY FREE,
SUBJECT TO A REDUCED RATE, ETC.**

**FREE ENTRY; FOREIGN MILITARY PERSONNEL
AND MEMBERS OF THEIR IMMEDIATE FAM-
ILIES**

Articles for the official use of persons who are on duty in the United States, its Territories, or possessions as members of the armed forces of any foreign country, or for the personal use of any such person or any member of his immediate family are entitled to free entry under Public Law 271, approved August 27, 1949. Part 10, Customs Regulations of 1943, amended by adding a new § 10.30c.

Section 1 of Public Law 271, 81st Congress, approved August 27, 1949, accords free entry privileges to members of the armed forces of foreign countries under certain conditions. Accordingly, Part 10 of the Customs Regulations of 1943 (19 CFR, Part 10), is hereby amended by adding the following center head and section:

**FREE ENTRY—FOREIGN MILITARY PERSONNEL
AND MEMBERS OF THEIR IMMEDIATE FAM-
ILIES**^{28e}

**§ 10.30c Articles for the use of foreign
military personnel and their immediate**

^{28e} (a) Articles entered, or withdrawn from warehouse, for consumption in the United States, its Territories, or possessions for the official use of persons who are on duty in the United States, its Territories, or possessions as members of the armed forces of any foreign country, or for the personal use of any such person or of any member of his immediate family, shall be admitted free of all duties and internal revenue taxes imposed upon or by reason of importation (including taxes imposed by sections 3350 and 3360 of the Internal Revenue Code) and of all customs charges and exactions: *Provided*, That if the Secretary of the Treasury shall find that any such foreign country does not accord similar treatment with respect to members of the armed forces of the United States or members of their immediate families, the privileges herein granted shall, after collectors of customs have been officially advised of such finding, be accorded with respect to members of the armed forces of such foreign country, or members of their immediate families, only to the extent that similar treatment is accorded by that country with respect to members of the armed forces of the United States or members of their immediate families.

(b) The exemption from duties, taxes, charges, and exactions provided for by this section shall be subject to compliance with

families. (a) Pursuant to section 1 of Public Law 271, 81st Congress, collectors of customs shall accord entry free of all duties and internal-revenue taxes imposed upon or by reason of importation, including taxes imposed by sections 3350 and 3360 of the Internal Revenue Code, and of all customs charges and exactions to articles entered, or withdrawn from warehouse, for consumption on or after August 28, 1949, for the official use of any person who is on duty in the United States, its Territories, or possessions as a member of the armed forces of any foreign country, or for the personal use of any such person or of any member of his immediate family.

(b) If any question arises as to the status of the importer under section 1 of Public Law 271 or whether articles entered under section 1 are for official use or personal use, the collector shall report the available facts to the Bureau of Customs and await instructions.

(c) The entry requirements prescribed in the Tariff Act of 1930, as amended, and the regulations thereunder are applicable to articles for which free entry is claimed under section 1 of Public Law 271.

(d) Certified or other invoices shall not be required for articles accorded free entry under section 1 of Public Law 271.

(R. S. 251, Pub. Law 271, 81st Congress; 19 U. S. C. 66)

[SEAL] FRANK DOW,
Commissioner of Customs.

Approved: October 20, 1949.

JOHN S. GRAHAM,
Acting Secretary of the Treasury.

[F. R. Doc. 49-8586; Filed, Oct. 26, 1949;
8:46 a. m.]

**TITLE 24—HOUSING AND
HOUSING CREDIT**

**Chapter VIII—Office of Housing
Expediter**

[Controlled Housing Rent Reg., Amdt. 181]

[Controlled Rooms in Rooming Houses and
Other Establishments Rent Reg., Amdt.
179]

**PART 825—RENT REGULATIONS UNDER THE
HOUSING AND RENT ACT OF 1947, AS
AMENDED**

MISSISSIPPI, OHIO AND TENNESSEE

The Controlled Housing Rent Regulation (§§ 825.1 to 825.12) and the Rent Regulation for Controlled Rooms in Rooming Houses and Other Establishments (§§ 825.81 to 825.92) are amended in the following respects:

1. Schedule A, Item 167a, is amended to read as follows:

(167a) [Revoked and decontrolled.]

This decontrols the City of Laurel in Jones County, Mississippi, a portion of such regulations as the Secretary of the Treasury shall prescribe.

(c) This section shall be effective as to articles entered for consumption or withdrawn from warehouse for consumption on or after the day following the date of enactment of this act." (Sec. 1, Pub. Law 271, 81st Cong.)

the Laurel, Mississippi, Defense-Rental Area, based on a resolution submitted in accordance with section 204 (j) (3) of the Housing and Rent Act of 1947, as amended.

2. Schedule A, Item 228, is amended to describe the counties in the Defense-Rental Area as follows:

Cuyahoga County, except the Villages of Bay and Orange; and in Lake County, Willoughby Township and those parts of Kirtland Township included within the corporate limits of the Villages of Waite Hill and Willoughby.

Lake County, other than Willoughby Township and those parts of Kirtland Township included within the corporate limits of the Villages of Waite Hill and Willoughby.

This decontrols the Village of Bay in Cuyahoga County, Ohio, a portion of the Cleveland, Ohio, Defense-Rental Area, based on a resolution submitted in accordance with section 204 (j) (3) of the Housing and Rent Act of 1947, as amended.

3. Schedule A, Item 288b, is amended to read as follows:

(288b) [Revoked and decontrolled.]

This decontrols (1) the City of Cookeville in Putnam County, Tennessee, a portion of the Cookeville, Tennessee, Defense-Rental Area, based on a resolution submitted in accordance with section 204 (j) (3) of the Housing and Rent Act

of 1947, as amended, and (2) the remainder of said Defense-Rental Area, on the Housing Expediter's own initiative in accordance with section 204 (c) of said act.

(Sec. 204 (d), 61 Stat. 197, as amended, 62 Stat. 37, 94, Pub. Law 31, 81st Cong.; 50 U. S. C. App. 1894 (d))

This amendment shall become effective October 25, 1949.

Issued this 24th day of October 1949.

J. WALTER WHITE,
Acting Housing Expediter.

[F. R. Doc. 49-8580; Filed, Oct. 26, 1949;
8:45 a. m.]

PROPOSED RULE MAKING

DEPARTMENT OF AGRICULTURE

Production and Marketing Administration

[7 CFR, Part 972]

HANDLING OF MILK IN TRI-STATE MILK MARKETING AREA

CONSIDERATION OF SUSPENSION OF CERTAIN PROVISIONS OF ORDER, AS AMENDED

Notice is hereby given that pursuant to the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.), consideration is being given to the suspension of the provision appearing in § 972.1 (m) (2) of the order, as amended, regulating the handling of milk in the Tri-State milk marketing area, which provision reads: "within April, May, June, or July".

This suspension has been proposed by Owvaky Dairy Federation.

In accordance with the Administrative Procedure Act (5 U. S. C. 1001 et seq.), all persons who desire to submit written data, views, or arguments with respect to the necessity for the action under consideration, are hereby given an opportunity to do so by filing them in quadruplicate with the Hearing Clerk, Room 1353, South Building, United States Department of Agriculture, Washington 25, D. C., not later than the close of business on the seventh day after publication of this notice in the *FEDERAL REGISTER*.

Issued at Washington, D. C., this 21st day of October 1949.

[SEAL] CLAUDE R. WICKARD,
Acting Secretary of Agriculture.

[F. R. Doc. 49-8582; Filed, Oct. 26, 1949;
8:45 a. m.]

[7 CFR, Part 994]

HANDLING OF PECANS GROWN IN GEORGIA, ALABAMA, FLORIDA, MISSISSIPPI, AND SOUTH CAROLINA

BUDGET OF EXPENSES AND RATE OF ASSESS- MENT FOR FISCAL PERIOD ENDING SEPTEM- BER 30, 1950

Consideration is being given to the following proposals submitted by the Pecan Administrative Committee, established under Marketing Agreement No. 111 and

Order No. 94 (7 CFR, Part 994; 14 F. R. 5737, 5865), regulating the handling of pecans grown in Georgia, Alabama, Florida, Mississippi, and South Carolina, as the agency to administer the terms and provisions thereof:

(1) That the Secretary of Agriculture find that expenses not to exceed \$42,500 are reasonable and likely to be incurred during the fiscal period ending September 30, 1950, by the Pecan Administrative Committee for its maintenance and functioning and for such other purposes as the Secretary may, pursuant to the provisions of the agreement and order, determine to be appropriate, and

(2) That the Secretary of Agriculture determine the pro rata share of such expenses which each handler who first handles unshelled pecans shall pay in accordance with the applicable provisions of the aforesaid marketing agreement and order during said fiscal period, to be one-fourth of one cent per pound on unshelled pecans handled by him as the first handler thereof during said fiscal period.

In making the foregoing recommendation, the Committee took into consideration its estimate that 17,000,000 pounds of assessable unshelled pecans will be handled for distribution as unshelled pecans.

All persons who desire to submit written data, views, or arguments for consideration in connection with the proposals, should submit the same to the Director, Fruit and Vegetable Branch, Production and Marketing Administration, United States Department of Agriculture, Room 2077, South Building, Washington, D. C., not later than the 10th day after publication. All documents should be submitted in duplicate.

Terms used herein shall have the same meaning as when used in the marketing agreement and order.

(48 Stat. 31, as amended; 7 U. S. C. and Sup. 601 et seq.; 7 CFR, Part 994; 14 F. R. 5737, 5865)

Done at Washington, D. C., this 24th day of October 1949.

[SEAL] S. R. SMITH,
Director,
Fruit and Vegetable Branch.

[F. R. Doc. 49-8594; Filed, Oct. 26, 1949;
8:47 a. m.]

[7 CFR, Part 996]

HANDLING OF MILK IN SPRINGFIELD, MASS., MILK MARKETING AREA

NOTICE OF EXTENSION OF TIME FOR FILING EXCEPTIONS TO RECOMMENDED DECISION WITH RESPECT TO PROPOSED MARKETING AGREEMENT AND TO PROPOSED ORDER

Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.) and the applicable rules of practice and procedure governing the formulation of marketing agreements and orders (7 CFR Part 900), notice is hereby given that the time for filing written exceptions to the recommended decision with respect to a proposed marketing agreement and to a proposed order regulating the handling of milk in the Springfield, Massachusetts, Milk Marketing Area, which was issued September 27, 1949 (14 F. R. 5999) is hereby further extended to October 27, 1949.

Dated: October 21, 1949.

[SEAL] JOHN I. THOMPSON,
Assistant Administrator.

[F. R. Doc. 49-8581; Filed, Oct. 26, 1949;
8:45 a. m.]

[7 CFR, Part 999]

HANDLING OF MILK IN WORCESTER, MASS., MILK MARKETING AREA

NOTICE OF EXTENSION OF TIME FOR FILING EXCEPTIONS TO RECOMMENDED DECISION WITH RESPECT TO PROPOSED MARKETING AGREEMENT AND TO PROPOSED ORDER

Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.) and the applicable rules of practice and procedure governing the formulation of marketing agreements and orders (7 CFR, Part 900), notice is hereby given that the time for filing written exceptions to the recommended decision with respect to a proposed marketing agreement and to a proposed order regulating the handling of milk in the Worcester, Massachusetts, Milk Marketing Area, which was issued September 27, 1949

(14 F. R. 6011) is hereby extended to October 27, 1949.

Dated: October 21, 1949.

[SEAL] JOHN I. THOMPSON,
Assistant Administrator.

[F. R. Doc. 49-8583; Filed, Oct. 26, 1949;
8:45 a. m.]

ABERDEEN LIVESTOCK SALES CO. INC., ET AL.

POSTING OF STOCKYARDS

The Secretary of Agriculture has information that the stockyards, listed below, are stockyards as defined by section 302 of the Packers and Stockyards Act, 1921, as amended (7 U. S. C. 202), and should be made subject to the provisions of that act:

Aberdeen Livestock Sales Company, Inc., Aberdeen, South Dakota.

PROPOSED RULE MAKING

Hub City Livestock Sales Pavilion, Aberdeen, South Dakota.

Chamberlain Livestock Sales, Inc., Chamberlain, South Dakota.

Fort Pierre Livestock Commission Company, Fort Pierre, South Dakota.

Kimball Livestock Exchange, Kimball, South Dakota.

Lemmon Livestock Sales Company, Lemmon, South Dakota.

Miller Livestock Auction Company, Miller, South Dakota.

Mobridge Commission Company, Mobridge, South Dakota.

Philip Livestock Auction, Philip, South Dakota.

Sturgis Livestock Exchange, Inc., Sturgis, South Dakota.

Wall Livestock Exchange, Inc., Wall, South Dakota.

Winner Livestock Auction Company, Winner, South Dakota.

Therefore, notice is hereby given that the Secretary of Agriculture proposes to issue a rule designating the stockyards

named above as posted stockyards subject to the provisions of the Packers and Stockyards Act, 1921, as amended (7 U. S. C. 181 et seq.), as is provided in section 302 of that act. Any interested person who desires to do so may submit within 15 days of the publication of this notice any data, views or argument, in writing, on the proposed rule to the Director, Livestock Branch, Production and Marketing Administration, United States Department of Agriculture, Washington 25, D. C.

Done at Washington, D. C., this 21st day of October 1949.

[SEAL] H. E. REED,
Director, Livestock Branch,
Production and Marketing
Administration.

[F. R. Doc. 49-8585; Filed, Oct. 26, 1949;
8:45 a. m.]

NOTICES

DEPARTMENT OF AGRICULTURE

Production and Marketing
Administration

TOLEDO UNION STOCK YARDS

NOTICE RELATIVE TO POSTED STOCKYARDS

It has been ascertained that the Toledo Union Stock Yards at Toledo, Ohio, originally posted on November 1, 1921, as being subject to the Packers and Stockyards Act, 1921, as amended (7 U. S. C. 181 et seq.), no longer comes within the definition of a stockyard under said act for the reason that it is no longer used for stockyard purposes. Therefore, notice is given to the owner of such stockyard and to the public that such stockyard is no longer subject to the provisions of said act.

Notice of public rule making has not preceded promulgation of the foregoing rule since it is found that the giving of such notice would prevent the due and timely administration of the Packers and Stockyards Act and would, therefore, be impractical. There is no legal warrant or justification for not depositing promptly a stockyard which no longer is used for stockyard purposes and is, therefore, no longer a stockyard within the definition contained in said act.

The foregoing rule is in the nature of a rule granting an exemption or relieving a restriction and, therefore, may be made effective in less than 30 days after publication thereof in the FEDERAL REGISTER. This notice shall become effective upon publication in the FEDERAL REGISTER. (7 U. S. C. 181 et seq.)

Done at Washington, D. C., this 21st day of October 1949.

[SEAL] H. E. REED,
Director, Livestock Branch, Pro-
duction and Marketing Ad-
ministration.

[F. R. Doc. 49-8596; Filed, Oct. 26, 1949;
8:45 a. m.]

FEDERAL POWER COMMISSION

[Docket No. E-6242]

GULF STATES UTILITIES CO.

NOTICE OF APPLICATION

OCTOBER 24, 1949.

Notice is hereby given that on October 20, 1949, an application was filed with the Federal Power Commission, pursuant to section 204 of the Federal Power Act, by Gulf States Utilities Company, a corporation organized under the laws of the State of Texas and doing business in the States of Texas and Louisiana, with its principal business office at Beaumont, Texas, seeking an order authorizing the issuance of \$10,000,000 face value, First Mortgage Bonds, --% Series due 1979, to be dated as of December 1, 1949, to be issued on or about December 7, 1949, and to be due December 1, 1979; all as more fully appears in the application on file with the Commission.

Any person desiring to be heard, or to make any protest with reference to said application should, on or before the 10th day of November 1949, file with the Federal Power Commission, Washington 25, D. C., a petition or protest in accordance with the Commission's rules of practice and procedure.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 49-8585; Filed, Oct. 26, 1949;
8:45 a. m.]

[Docket No. G-1290]

TENNESSEE GAS TRANSMISSION CO.

NOTICE OF APPLICATION

OCTOBER 21, 1949.

Take notice that on October 17, 1949, Tennessee Gas Transmission Company (Applicant), a Delaware corporation with its principal place of business in Houston, Texas, filed an application for a certificate of public convenience and necessity pursuant to section 7 of the

Natural Gas Act, as amended, authorizing Applicant to construct and operate a sales meter station at a point on its main transmission line in Kanawha County, West Virginia, for the sale of 5,000 Mcf of natural gas per day to Godfrey L. Cabot, Inc., for resale to domestic, commercial and industrial customers in Fayette and Kanawha Counties, West Virginia.

Applicant states that the small volume of gas involved will not appreciably affect the gas reserves available to its system, and reference is made to the present gas reserves which are summarized in Exhibit 337 of Docket Nos. G-962 and G-1070 in the matters of Tennessee Gas Transmission Company.

Applicant further states proposed rates to be charged for the sale of gas to Godfrey L. Cabot, Inc. are contained in its Rate Schedule on file with the Commission (Schedule CD-1).

The estimated capital cost of the proposed facilities is approximately \$4,000.00 which will be financed from funds on hand.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D. C., in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) within 15 days from the date of publication hereof in the FEDERAL REGISTER. The application is on file with the Commission for public inspection.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 49-8584; Filed, Oct. 26, 1949;
8:45 a. m.]

FEDERAL TRADE COMMISSION

[File No. 21-421]

CANDY MANUFACTURING INDUSTRY

NOTICE OF HEARING AND OF OPPORTUNITY TO
PRESENT VIEWS, SUGGESTIONS, OR OBJEC-
TIONS

Opportunity is hereby extended by the Federal Trade Commission to any and

all persons, partnerships, corporations, organizations, or other parties, affected by or having an interest in the proposed trade practice rules for the Candy Manufacturing Industry, to present to the Commission their views concerning said rules, including such pertinent information, suggestions, or objections as they may desire to submit, and to be heard in the premises. For this purpose they may obtain copies of the proposed rules upon request to the Commission. Such views, information, suggestions, or objections may be submitted by letter, memorandum, brief, or other communication, to be filed with the Commission not later than November 17, 1949. Opportunity to be heard orally will be afforded at the hearing beginning at 10 a. m., November 17, 1949, in Room 332, Federal Trade Commission Building, Pennsylvania Avenue at Sixth Street N.W., Washington, D. C., to any such persons, partnerships, corporations, organizations, or other parties who desire to appear and be heard. After due consideration of all matters presented in writing or orally, the Commission will proceed to final action on the proposed rules.

Issued: October 21, 1949.

By the Commission.

[SEAL]

D. C. DANIEL,
Secretary.

[F. R. Doc. 49-8575; Filed, Oct. 26, 1949;
8:45 a. m.]

[Docket No. 5694]

O. K. HAT NOVELTIES, INC., ET AL.

ORDER APPOINTING TRIAL EXAMINER AND
FIXING TIME AND PLACE FOR TAKING
TESTIMONY

In the matter of O. K. Hat Novelties, Inc., a corporation, and Herbert Schorr and Henry Fried, individually and as officers of O. K. Hat Novelties, Inc.; Docket No. 5694.

This matter being at issue and ready for the taking of testimony and the re-

ceipt of evidence, and pursuant to authority vested in the Federal Trade Commission,

It is ordered, That William L. Pack, a Trial Examiner of this Commission, be and he hereby is designated and appointed to take testimony and receive evidence in this proceeding and to perform all other duties authorized by law;

It is further ordered, That the taking of testimony and the receipt of evidence begin on Wednesday, October 26, 1949, at ten o'clock in the forenoon of that day e. s. t., in Room 500, 45 Broadway, New York, New York.

Upon completion of the taking of testimony and receipt of evidence in support of the allegations of the complaint, the Trial Examiner is directed to proceed immediately to take testimony and evidence on behalf of the respondents. The Trial Examiner will then close the taking of testimony and evidence and, after all intervening procedure as required by law, will close the case and make and serve on the parties at issue a recommended decision which shall include recommended findings and conclusions, as well as the reasons or basis therefor, upon all the material issues of fact, law, or discretion presented on the record, and an appropriate recommended order; all of which shall become a part of the record in said proceeding.

Issued: October 18, 1949.

By the Commission.

[SEAL]

D. C. DANIEL,
Secretary.

[F. R. Doc. 49-8588; Filed, Oct. 26, 1949;
8:46 a. m.]

[Docket No. 5699]

BECKMAN AND GROHS ET AL.

ORDER APPOINTING TRIAL EXAMINER AND
FIXING TIME AND PLACE FOR TAKING TESTIMONY

In the matter of Walter H. Liesman, Fred Grohs, and Cecil Beckman, individ-

ually and trading and doing business as Beckman and Grohs, and formerly trading as Beckman and Grohs Amusement Company; Docket No. 5699.

This matter being at issue and ready for the taking of testimony and the receipt of evidence, and pursuant to authority vested in the Federal Trade Commission,

It is ordered, That Abner E. Lipscomb, a Trial Examiner of this Commission, be and he hereby is designated and appointed to take testimony and receive evidence in this proceeding and to perform all other duties authorized by law;

It is further ordered, That the taking of testimony and the receipt of evidence begin on Friday, November 4, 1949, at ten o'clock in the forenoon of that day, P. S. t., in Room 524, (New) United States Court House, Portland, Oregon.

Upon completion of the taking of testimony and receipt of evidence in support of the allegations of the complaint, the Trial Examiner is directed to proceed immediately to take testimony and evidence on behalf of the respondents. The Trial Examiner will then close the taking of testimony and evidence and, after all intervening procedure as required by law, will close the case and make and serve on the parties at issue a recommended decision which shall include recommended findings and conclusions, as well as the reasons or basis therefor, upon all the material issues of fact, law, or discretion presented on the record, and an appropriate recommended order; all of which shall become a part of the record in said proceeding.

Issued: October 19, 1949.

By the Commission.

[SEAL]

D. C. DANIEL,
Secretary.

[F. R. Doc. 49-8589; Filed, Oct. 26, 1949;
8:46 a. m.]

